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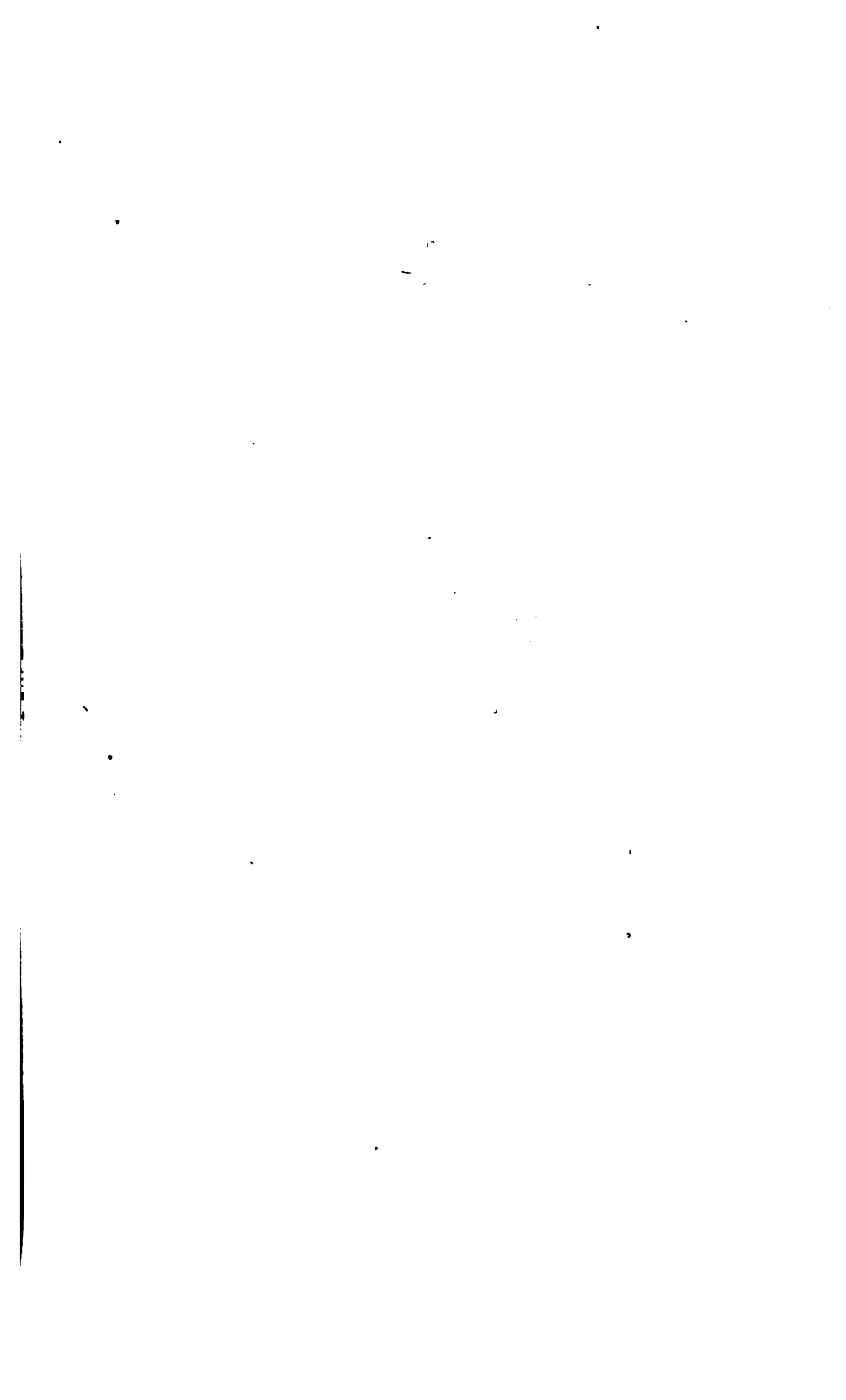
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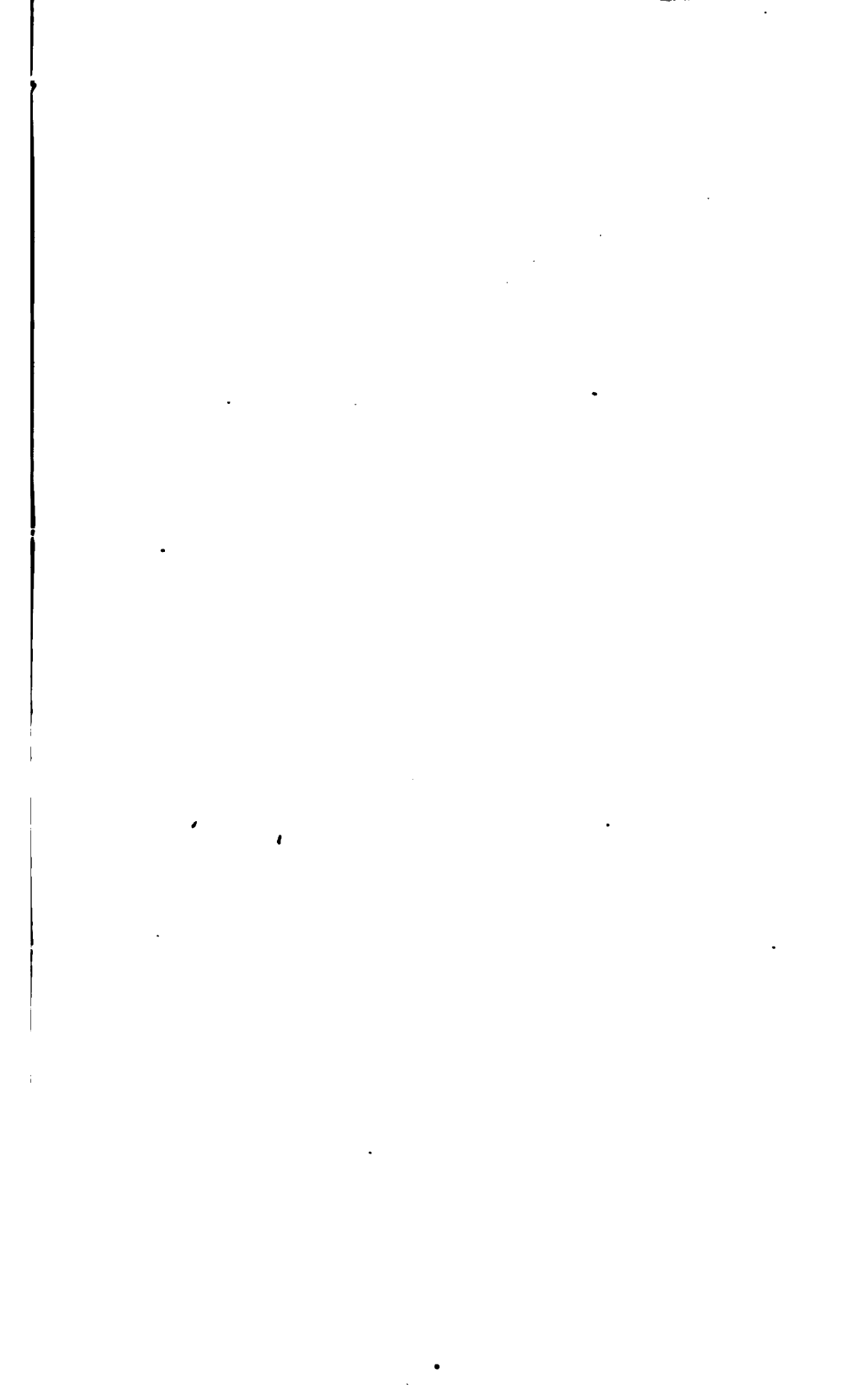
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REPORTS
OF
CASES ARGUED AND DETERMINED
IN THE
Circuit Court of the United States
FOR THE SECOND CIRCUIT.

BY SAMUEL BLATCHFORD,
JUDGE OF THE DISTRICT COURT OF THE UNITED STATES FOR THE SOUTHERN
DISTRICT OF NEW YORK.

VOLUME X.

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JUDGES
OF THE CIRCUIT COURTS OF THE UNITED STATES
WITHIN THE SECOND CIRCUIT,
DURING THE TIME OF THESE REPORTS.

SAMUEL NELSON, Associate Justice of the Supreme Court of the United States.*

WARD HUNT, Associate Justice of the Supreme Court of the United States.*

LEWIS B. WOODRUFF, Circuit Judge of the Second Judicial Circuit.

DISTRICT JUDGES.

SAMUEL BLATCHFORD, Southern District of New York.

NATHAN K. HALL, Northern District of New York.

CHARLES L. BENEDICT, Eastern District of New York.

DAVID A. SMALLEY, Vermont.

WILLIAM D. SHIPMAN, Connecticut.

* The Honorable SAMUEL NELSON resigned the office of Associate Justice of the Supreme Court of the United States on the 30th of November, 1872, and the Honorable WARD HUNT was appointed in his place on the 11th of December, 1872, and was assigned to the Second Circuit.



** * The following corrections should be made in Volume
IX of these Reports:*

Page 70, 2d line from bottom, after "touching" insert "the"

" 120, 8d line from bottom, for "imperious" read "injurious"

" 144, 18th line from bottom, for "in" read "on"

" 272, 1st line from bottom, for "then" read "there"

" 274, 2d line from bottom, for "their" read "three"

" 386, 18th line from bottom, after "business" erase "," and
insert " , "

" 408, 12th line from bottom, for "around-corded" read "a round-
corded"

" 485, 14th line from bottom, for "preferable" read "possible"

" 448, 8th line from bottom, for "proceedings" read "proceeding"

" 479, 5th line, for "1860" read "1870"

" 481, 18th line from bottom, for "gauge" read "gang"

" 488, line 1, for "gauge" read "gang"

" 602, line 8, 1st column, for "1860" read "1870"

Errata in this Volume.

Page 40, line 11, for "providing" read "provided"

" 178, line 6 of syllabus, for "P" read "B"

" 861, line 6 from bottom, for "debtor" read "other creditors"

" 884, line 8 from bottom, for "on" read "in"

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CASES

ARGUED AND DETERMINED

IN THE

Circuit Courts of the United States

WITHIN THE SECOND CIRCUIT.

THE STEAM CUTTER COMPANY

vs.

CHARLES SHELDON AND OTHERS. IN EQUITY.

W., the patentee of a machine for quarrying stone, assigned his patent to C. Before that, W. had made a written agreement with S., transferring to S., and his assigns, "the right to use the patented invention, to the extent of one machine," in the quarry of S., "and in no other place," to the full end of the term of the patent, and further agreeing, that S. should have the privilege of using additional machines, in such quarry, and not elsewhere, on making certain specified gross payments to W. The agreement further provided, that W. should superintend the construction of at least one machine, and be compensated therefor by S., for days' labor, S. to pay for constructing the machine. One machine was built, and paid for by S., and put to work in the quarry of S. S. used it for a time and then ceased, for more than two years, to use it, but, during the interval, repaired it. During the same interval, it was used by R., in a different quarry, with the knowledge of S. Afterwards, S. put into use, in his quarry, five machines got up by one L. C. notified S. that the machines of L. infringed the patent of W. S. had taken from L. an agreement by L. to defend the machines of L. against claims under the patent of W. S., after this suit was brought, tendered to C. and to W. money, as and for the payment for the right to use five additional machines, under the agreement with W. *Held,*

The Steam Cutter Company v. Sheldon.

- (1.) That S. acquired, by the agreement with W., the right to manufacture, as well as the right to use, the machines mentioned in it, subject to its conditions;
- (2.) That S. acquired the right to repair and rebuild the one machine, so as to have and keep in use one machine, in his quarry, during the life of the patent;
- (3.) That S. was liable for the profits from the use of the one machine by R., and for the damages thereby sustained by C.;
- (4.) That S. did not forfeit his rights in respect to the one machine, by allowing it to be used by R., in another quarry;
- (5.) That S. was a naked infringer in using the five machines of L., and could not defeat the right of C. to recover in this suit, in respect of such use, by the tender above mentioned;
- (6.) That S. had abandoned and forfeited all right, under the agreement with W., in respect of any additional machines, beyond the one machine;
- (7.) That S. must be enjoined from using any but the one machine first put into use, and be decreed to pay all profits made by him by the use of the five machines, or by the use of the one machine by R., and all damages sustained by C. from both of such users.

(Before WOODRUFF and SMALLEY, JJ., Vermont, March 25th, 1872.)

WOODRUFF, J. This is a suit in equity brought to restrain the defendants from infringing certain patents, for a stone channelling machine, and machinery for cutting and quarrying stone and marble, issued to George J. Wardwell, patentee, and reissues granted to the complainants, his assignees, and praying for a discovery and an account of the gains and profits accrued to the defendants from alleged past infringements, and for damages. Although the answer of the defendants put in issue the novelty of the alleged inventions and the exclusive title of the complainants, and denied that the alleged infringing machines used by them (which were made by the Windsor Manufacturing Company, and were called Lamson machines) were a violation of the rights of the complainants, and some testimony was comprised in the proofs, bearing on those questions, neither of these denials was insisted upon when the cause was brought to a hearing. The decision of this Court in *The Steam Cutter Company v. The Windsor Manufacturing Company* and *Ebenezer G. Lamson*, which affirmed the validity of the patents, and that the like ma-

The Steam Cutter Company v. Sheldon.

chines were infringements, was accepted by the defendants' counsel, and the defence was rested solely on the agreement made by the defendants, on the 1st of June, 1864, with the patentee, Wardwell, to be presently mentioned, and the acts and rights of the defendants under that agreement.

This agreement was made before the assignment by Wardwell to the complainants, and it recited, that Wardwell had obtained letters patent for certain improvements in machines for cutting stone, and that Sheldons & Slason were desirous of obtaining an interest therein; and the agreement witnessed, that, in consideration of one thousand dollars paid by the defendants, the said Wardwell assigned, transferred, and set over to the said Sheldons & Slason, their heirs, executors and assigns, "the right to use the said patented invention, to the extent of one machine, in their quarries at West Rutland, and in no other place or places, * * * the same to be had and held by the said Sheldons & Slason, for their use and behoof, and for the use and behoof of their heirs, executors and assigns, to the full end of the term for which said letters patent are or may be granted." Wardwell further agreed, that the said Sheldons & Slason, their heirs, &c., should have the privilege of using all improvements that he might add to said patented machine, the same to be applied and used on the said machine, in their quarries at West Rutland, and in no other place or places. The instrument then provided: "And I further agree to and with the said Sheldons & Slason, their heirs, executors and assigns, that they shall have the privilege of using additional machines, upon the conditions hereinafter mentioned, to wit, one additional machine upon the payment of two hundred and fifty dollars, a second additional machine upon the payment of two hundred dollars, a third additional machine upon the payment of one hundred and fifty dollars, a fourth additional machine upon the payment of one hundred dollars, a fifth additional machine upon the payment of fifty dollars, and, upon the further payment of fifty dollars, any number of machines more than six; all of the above machines to be used on the quarry property now owned by the

The Steam Cutter Company v. Sheldon.

said Sheldons & Slason, at said West Rutland, and in no other place or places. I further agree to and with the said Sheldons & Slason, their heirs, executors and assigns, that they shall have the privilege of using, on the above-named machines, all the improvements that I, George J. Wardwell, may add to said patented machine." Immediately before the execution of the foregoing, and in pursuance of the negotiation which followed the perusal thereof by the defendants, and at their instance and requirement, the following supplemental agreement was prepared, and the two were simultaneously delivered, that is to say: "Whereas, I have this day sold Sheldons & Slason the right to use machines for cutting stone upon their quarries, now opened or hereafter to be opened upon their quarry property in West Rutland—for full explanation, see sale of right, as executed this day—and it is further understood, that I am to superintend the construction of at least one of the machines, in the best manner and at the cheapest possible way, the said Sheldons & Slason to pay for construction of same. I further agree to attend to starting of the machine upon their north quarry, so called, superintending the same until fairly and successfully at work, S. & S. to pay my board while attending to the same, and, also, a fair compensation per day, for each day's labor." The one thousand dollars stipulated in the agreement was paid by the defendants, and, immediately thereafter, Wardwell recommended the procurement of the first machine at a machine shop in St. Johnsbury, with the proprietors of which he had previously had some negotiations in relation to the construction of machines, and a stipulation as to the terms on which they would build them. A machine was there built, the bill therefor was rendered by the machinist to Wardwell, the bill was paid by the defendants, and the machine was put in operation at the defendants' quarry in the fall of 1864 or the spring of 1865, the defendants, through Wardwell, procuring from Boston an engine wherewith to operate the machine. It was used for a short time, in cutting one cut or channel of about forty feet in length, and was then removed by the de-

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defendants, under a conviction, that, in that quarry, it could not be used to advantage, and it was not again used by them until the summer or fall of 1867, but repairs were made, and some new parts were substituted for old. During the year 1866, or in that year and early in 1867, as appeared in evidence, this machine was used, in a neighboring quarry, by the Rutland Marble Company, but, except by the fact of such use, and that the firm was aware of that fact, it did not appear that it was by the consent of the defendants, nor did it appear that they received any compensation therefor. Meantime, Ebenezer G. Lamson, (claiming to be the inventor,) and the Windsor Manufacturing Company, had begun, and were carrying on, the manufacture of the infringing machines, called, in the litigation, the Lamson machines, and, in the summer or fall of 1867, and thereafter, the defendants purchased, and put in operation, in their quarries, five of such machines. They were, at or about the same time, notified, on behalf of the complainants, that such machines were infringements of the Wardwell patents. They were forbidden to use them, and were apprised that the complainants would institute legal proceedings, to restrain any wilful and persistent violation of their rights under the said patents, and to recover damages therefor. To meet the exigency thus suggested, the defendants had already fortified themselves, by taking from the said Lamson and the Windsor Manufacturing Company, contemporaneously with their purchase, a special agreement, by which the parties last named agreed to defend the machine and apparatus sold by them, and fully protect the said Sheldons & Slason in the use and enjoyment of all so by them purchased, and, in case of any litigation involving the said Sheldons & Slason for such use, to assume the litigation, and pay all damages and costs to which Sheldons & Slason might be subjected, and save them whole and harmless, and, in case of final adjudication against the right, then to take back the machines and rights granted, and repay the consideration, or so much thereof as should be just, equitable and sufficient to make them whole in the premises. Thus fortified, the de-

The Steam Cutter Company v. Sheldon.

fendants, disregarding the notice from the complainants, persisted in the use of the Lamson machines. The complainants prosecuted their suit against Lamson and the Windsor Manufacturing Company, and, in November, 1870, commenced this suit against the defendants. Before putting in their answer, the defendants, having heard of the decision in the suit against their vendors, on the 9th of December, 1870, tendered, unconditionally, to the complainants, and also to the said Wardwell, the sum of nine hundred dollars, "on account of their contract with the said Wardwell," which tender is set up, in the answer, as covering the amount which, by the terms of the agreement above stated, the defendants were to pay to entitle them to the use of five additional machines, and, also, interest thereon from the time such use was begun.

Upon these facts, the claims of the parties arise, which were urged on the hearing. If there are any others which seem to us material, they will be adverted to in disposing of the case. The complainants insist, that the agreement between Wardwell and the defendants conferred upon the latter only the right to use the Wardwell machine and the improvements he might make thereon; that such right to use was separate and distinct from the right to construct the machine for the purpose of use, and the agreement did not include the latter; that the defendants, therefore, could not procure machines (even though they had paid the money mentioned in the agreement) except from the patentee, or his assigns, or from some person authorized by him or them to construct machines; that the payment of the sums specified was a condition precedent to the right of the defendants to use any other than the first machine, which was manufactured under the superintendence of Wardwell; that the defendants, having paid for that first machine, had the right to use that, but had no right themselves to repair it, or to rebuild it by substituting new parts thereof; that, hence, in respect of the five machines purchased from the Windsor Manufacturing Company, the defendants are liable as tort-feasors, infringing the rights of the complainants, on two grounds—first, that they had no right to

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make, or procure to be made, any machines, except by the complainants, or by their consent or license—and, second, that, they not having performed the condition precedent, by the payment of the sums stipulated, they had no right to use the additional machines, by whomsoever made; that, in respect of the first machine, they are now infringers, because, first, they have repaired and partially rebuilt it, and, second, they have suffered it to be used outside of their quarry, and have so forfeited the license conferred by the agreement; and, finally, that the conduct of the defendants, as shown by the evidence, establishes an abandonment of the agreement, and a forfeiture of all rights under it, in such wise, that it constitutes no defence to this suit, and the defendants could not, by the tender which they made, reinstate themselves in the position they once held under the agreement. The defendants maintain the contrary of most of these propositions, and insist, that the agreement gave them the right to make, or cause to be made, any machines, when or where they saw fit; that it gave them the right to repair, and, if necessary, rebuild, the machine which was constructed under the superintendence of Wardwell, and first put in use; that, although the agreement imported that, before such making and use of the additional machines, they should pay the sums specified therefor, a Court of equity should not regard them as having forfeited their right, and subject them to accountability as tort-feasors, but, on payment of the amount stipulated, as already tendered, with the interest from the time when it ought to have been paid, should regard them as having made the complainants whole in the matter, and as, therefore, exonerated from further liability; that the use of the one machine, by the Rutland Marble Company, though not warranted by the terms of the agreement, was not the act of the defendants; that, although the Marble Company may be liable therefor, the defendants are not; and, especially, that such use could not operate to destroy the right of the defendants to use that machine or the others.

Our conclusions upon the case are as follows :

1. We think it clear, that the right conferred upon the defendants, subject to the conditions of the agreement, was a right to construct and use the machines therein mentioned. True, the patent granted to an inventor confers upon him the right to make, to use, and to vend to others to be used ; and it is possible for him, in granting to others a share in his exclusive right, to limit the privilege granted, as he may see fit, and it is, therefore, possible for him to keep these privileges distinct, if he can find persons willing to pay for one without the right to enjoy either of the others. Each case, however, must be judged of as well by the terms of the grant of privilege, as, also, by the situation of the parties or the circumstances under which they act. (*Wilson v. Stolley*, 4 *McLean*, 275.) If a party engaged exclusively in the construction of machines of various kinds, for sale to others, were to receive a license to manufacture a patented machine, for a consideration presently paid to the patentee, a construction which would deny him all opportunity to make the privilege of any value, forbidding his sale of the machines when manufactured, should be very clearly imported by the license, or the Court would hold that the parties meant that he should derive some benefit from the license, and not be left thereafter wholly dependent on the will of the patentee. On the other hand, when the patentee, having made machines, sells one with the right to use the same, his grant may, with propriety, be limited to the particular machine sold ; and it is, also, clear, that such a sale would (unless limited in terms, or by special circumstances) import the right to use, although not so expressed. So, a sale of a patented invention to a dealer, not for use, but for sale to others, would carry with it the right, in the ultimate purchaser, to use the machine sold. Limitations in respect to territorial limits, extent of use, and the like, may be, and, in general, are, provided by express terms or stipulations.

In the present case, it appears, by the evidence, that Wardwell, the patentee, was struggling with a comparatively untried invention, anxious to bring it into use. The defendants were

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proprietors of quarries, engaged largely in business, and their example and their recommendation would be of great service in bringing his expensive machine before the public, and, if it proved valuable, into reputation. To secure this advantage, Wardwell, reciting that the defendants were desirous of "obtaining an interest" in his letters patent, in consideration of one thousand dollars paid by them, assigned and sold to them, and their heirs, executors and assigns, the right to use "said patented invention," to the extent of one machine. Were there nothing more in the agreement or its contemporaneous supplement, we should say, that these terms imported a grant of the right to the whole benefit of what was secured to Wardwell by the patent, to the extent of one machine. Subsequent words limited the use to their quarries. But, within those quarries, they could, to that extent, use the invention, and, to be used within those quarries, they could sell and assign it, or vend it to others to be used. The defendants did not suppose—Wardwell could not have supposed—that he still retained a control over the interest which the defendants sought to acquire, which would render it necessary for the defendants to pay him further for one of the privileges secured to him by the letters patent, before they could make their purchase available for any purpose. They both supposed that this transaction was the direct and immediate means of bringing his invention into important use. The letter of the defendants, written shortly afterwards, at the request of Col. Nichols, who was in some manner interested in the patent, wherein they say: "We have had one machine made, and paid one thousand dollars for the right to use it, and intend to get other machines as fast as we can," indicates this construction of the agreement, most clearly. But, the supplemental agreement makes this quite plain. In that, Wardwell, at the instance of the defendants, as is obvious from the tenor of the agreement itself, and as is expressly proved, in order to enable Sheldons & Slason to procure the one machine, agreed to superintend its construction and attend to starting it, superintending the same until fairly and successfully at work, they paying for its construc-

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tion, paying his board, and a fair compensation, per day, for each day's labor. If it were otherwise doubtful, it is plain, that, under this agreement, the defendants could have required him to superintend that construction on their own premises, by their own machinist, or at any other machine-shop which they might designate. He was to be paid no further royalty or license fee, nothing for any supposed exclusive right to manufacture, but only for his days' labor, as a mechanic. His skill was put at their service, for the construction of the machine in the best manner, and at the smallest cost, and that alone the defendants were to pay. We think, therefore, the claim that the defendants did not acquire the right, (subject to the other conditions of the contract,) to make the machines themselves, or employ others to make them, is not well founded. All that has been said applies as well to the additional machines, except that the defendants did not bind Wardwell to superintend their construction. The gradually diminishing scale of prices for the privileges granted, adopted to induce the defendants to bring the machines into large use, tends in the same direction as other circumstances above adverted to.

If it were necessary, we might, on the authority of *Woodworth v. Cook*, (2 *Blatchf. C. C. R.*, 151,) and cases therein cited, go further, and say, that it is established, by other proofs, to our satisfaction, that it was the intention of the parties that the defendants should have the right to make, or procure to be made, the machines which they obtained the right to use, and that, if this does not sufficiently appear by the language of the instruments, then the omission in this respect was a plain mistake. The instrument does not, in that case, express the actual agreement; and, although no cross bill has been filed, to reform the contract, such facts may be used as a defence to the suit; and, as it is shown that Wardwell is not only a stockholder, but one of the trustees of the complainants, and their superintendent of construction, it is not clear that the complainants can assert that they are *bona fide* purchasers, without notice of the agreement with the de-

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fendants, who were already in the possession and use of one of the machines, so as to deprive the defendants of such defence. But, our conclusion, founded upon the considerations before stated, renders it unnecessary to place the decision upon this ground.

2. We think it no less clear, that the agreement conferred the right to repair, and, if necessary, to rebuild, the first machine, made, paid for and put to use in the quarry. The grant was not a sale of a particular machine, or a license to use a particular machine, but, it was an assignment of the right to use the patented invention, to the extent of one machine; and this right was "to be held and enjoyed by the defendants, their heirs, executors and assigns, to the full end of the term of the patent." During all that time they might have and keep in use one machine. Number of machines in use was the subject of limitation, but it was to be permitted for the full term. Extent of use was the subject of declaration defined by the agreement, but that extent of use was to continue through the period. Whatever was necessary to the enjoyment of that use, to the extent or limit of one machine during the whole period, was involved in the grant. If repairs were necessary, that was included, if rebuilding was requisite, that might be done, so that the use stipulated for and granted might extend through the duration of the patent. (See *Bicknell v. Todd*, 5 *McLean*, 236; *Woodworth v. Curtis*, 2 *Woodbury & Minot*, 524.)

These views in regard to the construction and effect of the agreement are important in reference to the relief to be granted, notwithstanding our opinion upon other branches of the case. The defendants, by the agreement, and the payment to Wardwell of the one thousand dollars therein mentioned, did acquire the right to construct and use the machine which, under the superintendence of Wardwell, was made, and, also, the right to keep it in repair, and, if necessary to the enjoyment of the use of the patented invention, to the extent of one machine during the term of the patent, to rebuild it, maintaining it in suitable condition for use. We

find no ground for saying that these rights have been forfeited. In so far as the use of this machine in another quarry was beyond the license, we think the defendants are liable for any profits they realized therefrom, and for any damages sustained by the complainants. The defendants are not shown, it is true, to have given an actual consent to such use, but they had the ownership and control of the machine, and there existed no right to use it outside of their quarry. They acquiesced in such use. Without their consent, or that of their agents, such use could not have happened. There is no pretence that the Rutland Marble Company took the machine by force or against the will of the defendants. In that infringement of the rights of the complainants, the defendants find no protection in the agreement. They are, with the Rutland Marble Company, joint infringers. But, the present grant cannot, in respect to such machine, be regarded as upon condition. It is enough, that, for such unlawful use, the agreement furnishes no protection. As to that, the defendants stand liable, as they would be if aiding, or co-operating with, the Rutland Marble Company, when no such agreement was in existence. In respect to that machine, the property is vested, the agreement is fully executed, and the right is not revocable. There was no condition annexed, upon the breach of which the complainants were remitted to their original rights, and could treat the agreement as at an end. They limited the privilege granted, and any use beyond that leaves the defendants liable as infringers.

3. The much more important question relates to the effect of the agreement upon the right of the defendants to use the five machines purchased from the Windsor Manufacturing Company. The defendants were not entitled to any right or privilege beyond the use of one machine, except upon conditions expressly stated in the agreement. Without compliance with those conditions, they stood, in their relation to the patentee, in the same position as a third party having no agreement with him, and their use of his invention was as clear an infringement of his patent as like use by such third party.

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In respect to additional machines, they had, perhaps, secured an option, at a low rate of charge by the patentee, but, the condition that they should pay the sums named was none the less absolute. It was upon the payment, and only upon the payment, that they were entitled to use any additional machine. They, therefore, bought and used the Lamson machines without right, and as literally and truly so, as if they had never had an agreement with Wardwell. The right of the complainants to treat them as tort-feasors was perfect. They were liable to the complainants for damages, and the complainants' title, in equity, to treat the gains and profits realized by such tortious use, as held by the defendants as trustees for the complainants, was fixed and certain, and, on filing the bill of complaint herein, the right to recover could not, in any aspect of the case, be defeated by a tender of performance of the original conditions. This is not upon the ground of any forfeiture, not because any right once acquired was forfeited by the non-performance of a condition, but because the right to use the additional machines never existed. It was not acquired by the defendants in the only mode in which they could gain it. The complainants, therefore, could not, upon any principle of law or equity, be compelled to waive their right to gains and profits, and accept interest on the money, in lieu thereof.

But, this is not all. The defendants, by their conduct, placed themselves in such a position, as, we think, both at law and in equity, deprives them of any benefit whatever from the agreement, so far as relates to the additional machines. *Quoad hoc*, they defeated the very design and purpose which, upon their own showing, and as, in reference to the other branch of the subject, they here claim, constituted the inducement which moved the patentee to make the arrangement. They discontinued the use of the patented machine, which they had a right to do, but the doing of which points to their design and purpose to abandon the contract. They lay by for three years, doing nothing in the use of the invention, suffered the machine which they had to be used by the Rutland Mar-

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ble Company, as a thing in which they had no concern, and then allied themselves to the infringers of the patent, and bargained for infringing machines. When notified, by the complainants, that such machines were a violation of their rights under the patent, and that prosecution would follow, they not only made no pretence that they were acting, or were willing to act, under the contract, but set the complainants at defiance, secured themselves against loss, by the covenants of the infringers, and persisted in the piracy. Instead of acting in subordination to the contract, with a view to preserve the rights or advantages stipulated therein in their favor, they lent themselves, so far as in their power, to the destruction of all value in the thing stipulated. Instead of exercising the option which, it may be conceded, they had, for a reasonable time, at least, to take and use the machines specified therein, they declared, by the most decided and unequivocal conduct, their intention to pay nothing more for machines or the right to use them, to Wardwell or to the complainants. Had they so declared in the strongest terms language can furnish, they could not more distinctly have expressed their determination to have, or pay for, no more Wardwell machines. In this view, the defendants must be deemed to have abandoned the contract, so far as it related to additional machines, and the complainants had a clear right, in equity not less than at law, to accept the abandonment and hold them to its consequences. This is no hardship. It partakes very little of the character of the enforcement of a forfeiture. The defendants chose, voluntarily, to attach themselves to the infringing party, and, when they did so, they chose to meet the just consequences. If they were advised that the machines which they used were not an infringement, that only establishes more firmly that they abandoned their contract with Wardwell and determined to have no more of his machines, and shows more fully, that, in the face of admonition and warning, they preferred to take their chance with the infringers. When, after about six years, their effort to defeat the purposes of the agreement had had its probable effect, to the prejudice of the complain-

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ants, and the decision of the question of infringement had shown that their conduct was unlawful, it was too late to retrace their steps. Their conduct had discharged the complainants and Wardwell from any obligation to treat them as licensees in respect to any machine but the one originally put into use. The conclusion is, that the complainants are entitled to a decree, that the defendants be enjoined from using the five machines purchased from the Windsor Manufacturing Company, or any machine but the one first put into use, but not against repairing and maintaining that machine during the term of the patent, for which the complainants or their assignor have received the full consideration. The defendants must, also, be decreed to account for, and pay to the complainants, all gains and profits made by them, by the use of the said five machines, or by the use of the other one by the Rutland Marble Company, and must be decreed to pay, in addition thereto, all damages, (beyond such gains and profits,) if any, sustained by the complainants, from the defendants' unlawful use of the said five machines, or from such unwarranted use of the said first machine by the Rutland Marble Company, together with the costs of this suit.

Chauncey Smith and John Prout, for the plaintiffs.

Edward J. Phelps and James N. Edminster, for the defendants.

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OLGA DE MALUTA FRALOFF

vs.

THE NEW YORK CENTRAL AND HUDSON RIVER RAILROAD
COMPANY.

In an action against a common carrier, to recover for the loss of laces contained in a trunk, the baggage of the plaintiff, as a passenger, it appeared that none of the laces had been purchased by the plaintiff, and that they were purchased by no one, at least within living memory, but were inherited or received by gift, and were many years old: *Held*, nevertheless, that their value must be ascertained by a money standard, based on evidence, and could not be assessed upon conjecture, and that, in the absence of such evidence, nominal damages only could be given.

The action was properly brought in the name of the plaintiff, she being a married woman.

The laces were reasonable apparel and baggage, reference being had to the social position and wealth of the plaintiff, the state of her health, and the object of her journey to this country from abroad.

(Before SHIPMAN, J., Southern District of New York, May 15th, 1872.)

IN this case, Judge SHIPMAN charged the jury as follows:

Gentlemen of the Jury: The plaintiff in this suit seeks to recover of the defendants the value of certain laces which she claims to have lost out of her trunk, while it was in the custody of the defendants, and in course of transportation over their road, from Albany to Niagara Falls. She alleges, that she bought a ticket for herself, as passenger, on the 4th of November, 1869, delivered her trunk, or caused it to be delivered, to the defendants, at their baggage car, in Albany, and received from them a check therefor; that both herself and trunk passed over the route that day, reaching Niagara Falls some time after midnight; and that, on her arrival at the latter place, her trunk was found to be in a damaged condition. Of these facts there does not seem to be any serious dispute.

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But the plaintiff further claims, that, when she delivered her trunk to the defendants, it was in good order, and securely fastened, and that it contained the laces which she has described in her deposition. This the defendants deny; and they say that the evidence on this point is not sufficient to warrant you in finding that these laces were in her trunk at the time they received it from her at Albany. On this point the burden of proof is on the plaintiff. I do not propose to rehearse the evidence. You will remember it, especially as it was very fully and recently commented on by counsel on both sides, and say whether or not you are satisfied that the laces in question formed part of the contents of the trunk at the time it was placed in the baggage car at Albany. If they did not, then the defendants are not liable in this action, and your verdict should be for them. If, on the other hand, you are satisfied that the laces did constitute a portion of the contents of her trunk when it was received by the defendants, and that they constituted a part of her reasonable and ordinary baggage, then your verdict must be for the plaintiff. This is very obvious. The defendants admit that they are common carriers of passengers over the route in question; and, as such, they are responsible for all reasonable and proper baggage of those they transport, while it is in their custody. They are bound to return it to the traveller in substantially the same condition as that in which they received it, and no excuse can exonerate them from the non-performance of this duty, except the act of God or the public enemies, neither of which are pretended in this case. It is immaterial, then, if these laces were in fact abstracted from the trunk while in the defendants' custody, by whom it was done, if it was not done by the plaintiff herself, or by her assent or connivance.

You will have no difficulty in disposing of this part of the case. The evidence is not long or complicated, and you will readily determine whether or not the articles alleged to have been lost by the plaintiff were, or not, delivered to the defendants at Albany, and lost while in their custody. If you find the claim of the plaintiff in this respect true, you

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will, as I have already intimated, find a verdict for her. The question will then arise as to what amount of damages she is entitled to. This is a very important question, and yet one upon which there is very little proof upon which you can lawfully act. This renders it proper that I should submit some considerations to you in regard to the condition of the evidence as to value.

The plaintiff, in her deposition, describes the character and quality of the laces which she says she lost, to some extent, but she fixes no value which can be any guide to you, acting as you are under oath, and bound to come to definite results upon definite evidence, or upon such evidence in regard to facts, as alone would warrant you in deducing a definite price. The plaintiff states, that she purchased none of these laces, and that they were purchased by no one, at least within living memory; and it is inferrible from her statements, that there is no one living who can testify as to the cost of their manufacture. She says that they were made many years ago, and were inherited by her from her grandmother, or received by way of gift from her aunts. Nor is the plaintiff able to testify as to the value of similiar laces which, to some limited extent, are sold in the markets of the world. Vague hints, such as that attributed to the Empress, that they were worth a kingdom, or the evidence of some of the plaintiff's witnesses, that they were very beautiful, unique and exquisite, furnish no reliable guide by which you can fix a definite price. The defendants, if liable, are only liable for the value of these laces at the time they were lost, and that value is to be ascertained, if at all, by a money standard. Neither Courts nor juries are permitted to assess values upon conjecture. They must have proof of value, or evidence of such facts as will warrant a deduction of the value with reasonable certainty. This is peculiarly true in regard to articles like these laces, the character and value of which are not generally known. According to the statement of the plaintiff, she possessed the only specimen of one kind of this lace, except a similar one belonging to the Queen of England.

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It is obvious, therefore, that, before you can say, by your verdict, what the value of these lost articles was in November, 1869, you must have some specific information on that precise point, and it must come from witnesses, or some one witness who is competent to speak on the subject. The counsel for the plaintiff claims, that you can find sufficient evidence of that character in the statements of Mrs. Carter, who has been before you. And it is true that Mrs. Carter gave some evidence as to the value of laces which bear the same name as some of those which the plaintiff alleges that she lost. This evidence is very meagre, and I admitted it with considerable hesitation. But it is before you, for your consideration, and it is the only evidence in the case which approximates to any precise valuation. Counsel on both sides have referred to it, in their arguments to you, and have submitted to me computations based upon her evidence. You will remember her statements. Upon some laces of the same general character she did give the prices. I was compelled to restrict her testimony to the narrowest width and the poorest quality, for the reason that no specimens of the plaintiff's laces were here, to be submitted to her inspection and judgment. You will recollect what the plaintiff said about the quantity and character or variety of the laces which she claims to have lost. You will also recollect the values which Mrs. Carter gave of the similar kinds, upon which she expressed an opinion; and you must arrive at their value as best you can. I think it my duty to say to you, that, by no computation, however liberal, based upon Mrs. Carter's prices, can the value of the laces in question, to which Mrs. Carter's estimates refer, exceed one thousand dollars. I do not say that it would reach that sum, but I do say that it will not exceed it. In regard to the laces upon which Mrs. Carter could fix no price, which the plaintiff lost, (if she did lose them,) she will be entitled to nominal damages only.

I have been thus particular in directing your attention to the peculiar condition of the evidence on this question

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of damages, because, an error on your part on this point might render this trial fruitless of any good result. Had the plaintiff produced in Court the specimens of the laces which she referred to in her deposition, and which were marked as exhibits, but not attached to her deposition, and satisfied you that they fairly represented those she lost, there would have been some definite evidence before you, from which you could ascertain their value. That she has not done so is, in judgment of law, her own fault, and the consequences of that fault cannot be visited upon these defendants.

On the question, whether the action is properly brought in the name of the plaintiff, she being a married woman, I charge you in the affirmative.

On the question to which counsel have called my attention, and requested me to instruct you, as to whether the lost laces were reasonable apparel and baggage, reference being had to the social position and wealth of the plaintiff, the state of her health, and the object of her journey, I have no remarks to submit to you, inasmuch as, by the proofs in the case, so far as they go, the value and character of this ornamental apparel was not greater than any respectable lady, travelling in a foreign country, might reasonably carry in her trunk.

You will consider the evidence before you, in the light of these instructions, and return such a verdict as that evidence will warrant, adding interest to the principal sum, from November 4th, 1869, to the present time, at the rate of seven per cent. per annum.

The jury were discharged without agreeing on a verdict.

Thomas C. T. Buckley and *James W. Gerard, Jr.*, for the plaintiff.

Theron R. Strong, for the defendants.

The United States v. Tallman.

THE UNITED STATES vs. JOHN C. TALLMAN AND OTHERS.

THE SAME vs. SAMUEL C. PIKE.

The decision in *United States v. Reed*, (2 *Blatchf. C. O. R.*, 435,) cited and approved.

A motion to quash an indictment was heard on an agreed statement of facts, without putting the defendant to plead the matters alleged as grounds for the motion.

The provisions of the Revised Statutes of the State of New York, (2 *R. S.*, 724, §§ 27, 28,) are, by the Act of Congress of July 20th, 1840, (5 *U. S. Stat. at Large*, 394,) made applicable to the Federal Courts, and no challenge to an array of grand jurors, or to any person summoned to serve as a grand juror, and no objection to the competency of any person summoned to serve as a grand juror, can be allowed, other than an objection to a grand juror, before he is sworn, on the ground that he is the prosecutor, or complainant, on a charge, or is a witness on the part of the prosecution, and has been subpoenaed, or been bound in a recognizance, as such.

Irregularities in the summoning of grand jurors do not entitle a party indicted, as matter of law, to avoid the indictment.

Where the accused shows that he has been prejudiced by irregularity or fraud in designating, summoning, and returning the grand jury, he has his remedy, by motion to the Court, for relief.

The Rule of this Court, of November 11th, 1867, in regard to the designation and selection of jurors, is a proper provision.

It not being shown that the officers acting in this case, under that Rule, had not acted in good faith, in compliance therewith, and no fraud being alleged, nor any prejudice to the accused, a motion to quash the indictment, on the ground of alleged irregularities in selecting the grand jurors, was denied.

A grand jury selected and drawn in accordance with that Rule, is not irregularly or illegally selected or drawn.

The Act of July 20th, 1840, does not require literal conformity to the mode of selecting and drawing jurors prescribed by the State laws, but only substantial conformity, and that only as far as is practicable.

What is thus practicable, defined.

(Before WOODRUFF and BLATCHFORD, JJ., June 3d, 1872.)

THESE were motions to quash indictments, on the ground, that, in selecting and designating the persons forming the

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grand jury by which the indictments were found, the mode practised in the highest Court of law of the State of New York, in selecting and designating grand jurors to serve therein, was not followed. The provision on the subject, in the laws of the United States, is the Act of July 20th, 1840, (5 *U. S. Stat. at Large*, 394,) in these words: "Jurors to serve in the Courts of the United States, in each State respectively, shall have the like qualifications, and be entitled to the like exemptions, as jurors of the highest Court of law of such State now have and are entitled to, and shall hereafter, from time to time, have and be entitled to, and shall be designated by ballot, lot, or otherwise, according to the mode of forming such juries now practised, and hereafter to be practised, therein, in so far as such mode may be practicable by the Courts of the United States, or the officers thereof; and, for this purpose, the said Courts shall have power to make all necessary rules and regulations, for conforming the designation and empannelling of juries, in substance, to the laws and usages now in force in such State, and, further, shall have power, by rule or order, from time to time, to conform the same to any change in these respects which may be hereafter adopted by the legislatures of the respective States for the State Courts."

Edwards Pierrepont, William Stanley and Thomas Harland, for the defendants.

Noah Davis, (*District Attorney*), for the United States.

WOODRUFF, J. We are of opinion that the decision of Justices Nelson and Hall, in this Circuit, at a term held for the Northern District of New York, (*United States v. Reed*, 2 *Blatchf. C. C. R.*, 435,) disposes of the questions raised by the motion to quash the indictments in these cases; and in that decision we fully concur. It was there distinctly held, that the provisions of the Revised Statutes of the State of New York, (2 *Rev. Stat.*, 724, §§ 27, 28,) prescribing the ob-

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jections that may be taken to the organization of grand juries, are, by the Act of Congress of July 20th, 1840, (5 *U. S. Stat. at Large*, 394,) made applicable to the Federal Courts; and, therefore, that "no challenge to the array of grand jurors, or to any person summoned to serve as a grand juror, shall be allowed in any other cases than such as are specified" in the twenty-seventh section of the State statute. Those provisions are as follows: "§ 27. A person held to answer to any criminal charge, may object to the competency of any one summoned to serve as a grand juror, before he is sworn, on the ground that he is the prosecutor or complainant upon any charge against such person, or that he is a witness on the part of the prosecution, and has been subpoenaed, or been bound in a recognizance, as such; and, if such objection be established, the person so summoned shall be set aside. § 28. No challenge to the array of grand jurors, or to any person summoned to serve as a grand juror, shall be allowed in any other cases than such as are specified in the last section." There is no allegation or claim, in the present cases, that the objections which may be made to grand jurors, under the twenty-eighth section, are or can be urged against the grand jurors by whom these indictments were found.

It was further held, in the case cited, that causes of challenge to the array, which might have been urged if the statute of the State had not applied to the Federal Court, no longer sustained such a challenge; that irregularities in the summoning of grand jurors do not entitle the party indicted, as matter of law, to avoid the indictment; that, for such causes, the challenge to the array is wholly abolished; and that something more than irregularity must exist, to entitle the party to avoid the indictment. What that must be is plainly indicated as follows: "It by no means follows that the accused has no remedy in a case where there has been any improper conduct on the part of the public officers employed in the designating, summoning and returning of the grand jury. If there has been any improper conduct on the part of those officers, in performing that service, or if any

fraud has been committed through their instrumentality, in the drawing, summoning or organization of the grand jury, of course, the accused who may be prejudiced thereby, has his remedy, by motion to the Court, for relief, in consequence of such irregularity or fraud. Because, the selecting, summoning and returning of grand jurors are proceedings which are always under the general supervision and control of the Court, and the Court will guard them, and will see to it that no one shall be prejudiced thereby. The Court has general power to preserve the pure administration of justice, and its sound discretion will always be exercised freely for the purpose of securing that end." * * * "It will, therefore, look into the facts presented, on which a charge is made against the regularity of the proceedings in the selection and summoning of grand jurors in a given case, and will hear the explanations on the other side, and its judgment will be determined accordingly. If it sees that there has been improper conduct in the public officers, which has resulted prejudicially to the party accused, it is bound to set aside all the proceedings. On the contrary, although there may be technical objections to the proceedings, in point of strict regularity, yet, unless the Court is satisfied that they have resulted, or may result, to the prejudice of the party accused, it will not set them aside, because its interposition in the case will not be required on the ground of justice either to the accused or to the public." These views are reiterated by Mr. Justice Nelson, in the opinion of the Court in the case referred to, and are applied where no order for a *venire*, except a verbal one, was made, and where, in fact, a grand jury was convened without a *venire* having been issued at all. That this was an irregularity was not doubted.

We have heard the argument of the question here upon a motion to quash, founded upon an agreed statement of facts, at the solicitation of counsel for all the parties, without putting the accused to plead the matters alleged. Where there is no conflict respecting the facts, it is, doubtless, in the power of the Court to dispose of the subject in this form.

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Applying the opinion of Mr. Justice Nelson to the facts agreed upon in these cases, it is clear, that the motion should be denied. There is no allegation or claim that, in the selecting, summoning and empannelling of the grand jury, the clerks of the Courts did not act in the utmost good faith, and in obedience to an express Rule of this Court, imposing upon them the duty, which they performed according to their interpretation of its purport and intention. That Rule was made November 11th, 1867, and is in these words: "It having been found impracticable to obtain jurors for the Courts of the United States in this District, from the jury boxes used by the authorities of the State of New York, in the city and county of New York, for the procuring of juries for the Courts of said State, in said city and county, it is now ordered, that the clerk of this Court and the clerk of the District Court of the United States for this District, make out and file in the office of the clerk of this Court, a list of persons to serve as jurors in the Courts of the United States for this District, and that such list be made out in the same manner as, by the laws of the State of New York, the public officers charged with the duty of making out the list of jurors to serve as jurymen in the Courts of said State, in and for said city and county, are required to make out such list; and it is further ordered, that the said clerks, from time to time, correct and revise such list as they may deem it necessary so to do, to the end that such list may be made and kept, so far as practicable, in conformity with the laws of the State of New York; and it is further ordered, that, from the list so made and filed, grand and petit jurors shall be selected, and shall be drawn by lot, in accordance, so far as practicable, with the laws of the State of New York, by the said clerks, as, from time to time, the same may be ordered by the Courts of the United States in this District, and a list of the persons so drawn, certified by said clerks, shall be attached to the writ of venire issued to the marshal for the summoning of such jurors; and it is further ordered, that, as to all matters relating to the selecting, drawing and summoning of jurors for

said Courts, the said clerks follow, so far as practicable, the provisions in respect thereto contained in the laws of the State of New York." There is no allegation or claim of fraud in the matter, or on the part of any officer concerned therein; and, finally, it is not alleged or claimed that the accused have been prejudiced by any supposed want of conformity to the laws of the State in the proceeding, or that, whether strictly regular or irregular, any irregularity has resulted prejudicially to the accused. This being the case, if we deemed the manner of selecting and drawing the grand jury to be liable to the objection of want of due conformity to the State laws, we must, nevertheless, say, in the language of the opinion cited, that "the interposition of the Court is not required on the ground of justice either to the accused or to the public."

We do not, however, mean to be understood as deciding that the grand jury was irregularly or illegally selected, drawn or empannelled. It is sufficient to rest the decision upon the ground above stated. But we desire further to say, that the objections urged upon us seem to overlook, in a large degree, that literal conformity to the mode of selecting and drawing jurors prescribed by State laws is not required by the Act of Congress. Substantial conformity, and only so far as that is practicable, is, in any view, necessary to strict technical regularity. If this Court were permitted to draw petit jurors and grand jurors from the boxes containing the names of persons selected by the State officers under the State laws, a near approximation to the mode of proceeding in the State Courts might be made; and, no doubt, the adoption of the selections made by the State officers authorized to inquire into the qualifications of jurors and make selection of grand jurors, would be competent. Formerly, the Federal Courts in this District were permitted to do this. Courtesy to the Federal tribunals, and respect for the requirement of the Act of Congress designed, as nearly as might be, to conform, in this respect, to the State laws, and mainly for the benefit of citizens of this State, and enacted out of deference to State policy, was then deemed to warrant the permission. But other counsels have

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prevailed, and the Federal Courts have no longer, in this city, any such aid, in procuring suitable and qualified jurors for service therein.

The Rule of this Court under which the grand jury now in question was drawn, is founded upon, and declares, the impracticability of obtaining jurors selected under the State laws; and the question was one of interest, and was anxiously considered, when the Rule was adopted, which, on the argument of this motion, was more than once suggested by us to counsel urging that the motion should be granted for want of conformity to the State laws—"What should the Court do to conform more nearly to the State laws, and how can they do it?" The law, at most, requires substantial conformity, and only what is practicable. What is practicable must be, 1st. What Congress have furnished the Court with the means of effecting; 2d. What the Court has the power to effect; 3d. What can reasonably be done in consistency with the due discharge of the other duties imposed upon the Court and its officers. The United States have no commissioner of jurors, in form nor in substance. The Court has no power to create such an officer, or to invest any one with the authority which the laws of New York confer upon that officer. The Court has no power to call the citizens before itself, or before any other person or officer, for examination, to test these qualifications, preparatory to the making a list of jurors. There is no board, nor can the Court create one, which, when a list is made, shall select therefrom some who shall serve as grand jurors. The duties involved in such a mode of selecting jurors, grand and petit, the Court cannot compel any person to perform; and, if it was competent to authorize such performance, no one could be found to perform them gratuitously, and this Court has no fund from which to pay therefor. Doubtless, we may require the assistance of the clerk of the Court, and reasonably expect that he will devote all the time which is possible, to the service, but we could not confer on the clerk the powers, or impose on him the duties, of the State commissioner of jurors; and if it was attempted, it is

not clear that his acts would derive any efficiency therefrom. Doubtless, the list of jurors could, as a physical act, be divided into two lists. But there is no board in existence, and we can create none, to make such separate list, in the exercise of discretion, from among those designated in the other list. Doubtless, it would sometimes be possible for a judge to be present at a drawing of grand jurors, but, in general, that would be impossible. Absence from the city, in other Districts, and actual engagement in the duties of the Court, would, in general, prevent; and, sometimes, jurors may properly be drawn from the several other counties in the District. This impracticability has been adjudged by this Court, by its enactment of successive Rules, for more than thirty years past, and similar considerations have led to dispensing with publication of the notice of drawing.

We might pursue this still further, and we should return to the inquiry—"With the means which the Court has at command, with the power that is vested in the Court or its officers, in view of the fact that jurors are not necessarily drawn from one county only, in short, in all the circumstances under which the Court is acting, what is practicable, in the reasonable sense in which that term is used in the Act of Congress, that the rule of Court does not provide for, to effect a substantial conformity to the State laws? So long as the Court maintains the control over the subject, stated in the opinion of Mr. Justice Nelson, so long as even irregularity is not permitted, when it operates to the prejudice of an accused, we think that the requirement of the State laws themselves, as well as duty both to the accused and to the public, forbids the interposition of the Court which is invoked in these motions.

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In re ERNEST SACCHI, A BANKRUPT.

In general, a mortgagee, holding a mortgage on real estate of a bankrupt, should not be permitted to foreclose such mortgage in a State Court.

The Courts of the United States have ample power to protect all the rights of the mortgagee.

If necessary to secure the equitable rights of a mortgagee, the Court in bankruptcy, as a Court of equity, may have the rents separated from the general estate of the bankrupt, to be specially applied on the mortgage.

The mortgagee, if the validity of the mortgage is not denied, may invoke the summary power of the Court, to sell the mortgaged premises; or, if such validity be denied, he may himself proceed, by bill, in the District or Circuit Court of the United States.

Circumstances stated, in which proceedings on the mortgage, in the State Court, may be allowed.

What commissions will not be allowed to an outgoing assignee in bankruptcy.

(Before WOODRUFF, J., Eastern District of New York, June 4th, 1872.)

WOODRUFF, J. The present is an extraordinary appeal to the Circuit Court. The petitioner for the review of the decision of the District Court seeks to remove the assignee in bankruptcy, on the ground of bad faith and mismanagement in his trust, and applies to this Court to reverse the order denying his application, in the face of the express decision and opinion of the register in bankruptcy, and of the District judge, (6 *Natl. Bkcy. Reg.*, 398,) upon the proofs herein, that the assignee would have been derelict in his duty if he had not done substantially what he did. Had it been possible for the assignee to obtain these opinions in advance, upon these same proofs, counsel would hardly have presumed to say that the assignee was guilty of official misconduct calling for his removal, because he acted in accordance with those opinions; and yet this Court is asked to condemn him, as guilty of official misconduct, for doing what both the register and the District judge approve. As both of those officers had all the proofs before them which are before me, the claim, on this

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appeal, that those proofs show wilful misconduct, comes very little short of an attack upon the integrity of the tribunals by whom the proofs were deemed to justify the assignee. Certainly, I ought not to impute wilful misconduct and bad faith to the assignee, because he drew, from the circumstances before him, the conclusions which the register and the District judge approve.

The question here is, not whether, in fact, there was illegality in the mortgages, the foreclosure of which the assignee resisted, but whether such resistance was fraudulent, malicious or from unjust motive, and not in good faith, for the benefit of the general creditors. However I might conclude, that, upon the whole case, the mortgages were valid, that the holders had a right to an early foreclosure, and that delay, while the rents, if any, passed into the hands of the assignee, operated prejudicially to the holders of the mortgages, this would come far short of holding, that, under circumstances which, under the advice of counsel, were deemed suspicious—circumstances which the register and the District judge have declared suspicious—the assignee was guilty of misconduct calling for his removal, because he acted on the suspicion and sought to bring the inquiry into the proper Court for investigation.

But it is not true, that, had the mortgagees seen fit to assert their rights in the mode which was most appropriate, any injustice would have been done to them, nor would unnecessary delay have been permitted to occur, to their prejudice. The purpose and design of the bankrupt law is, to bring the property of the bankrupt into the bankrupt Court for administration; and that Court is furnished with all needful power to liquidate and settle all liens thereon; and, where there are adverse claims, which it is not appropriate or proper to litigate by summary inquiry and order, provision is made, by giving jurisdiction to the District Court concurrently with the Circuit Court, for that purpose. It is true, that State Courts have jurisdiction to entertain bills for the foreclosure of mortgages upon the real estate of a bankrupt, and may, no

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doubt, properly exercise that jurisdiction, if no objection is made. Special circumstances may sometimes exist, in which there is no reason for objection by the assignee, as, for example, where the mortgaged premises are, confessedly, of less value than the mortgage debt, (*In re Iron Mountain Co.*, 9 *Blatchf. C. C. R.*, 320;) and, where a foreclosure is pending, and the proceedings are nearly completed at the time the proceedings in bankruptcy are commenced, it may sometimes be convenient and economical to suffer the validity of the mortgage, and the amount due, to be settled in the State Court; and, even then, whether to permit a sale by the decree of the State Court, or not, will be in the discretion of the Court in bankruptcy. In general, mortgagees should not be permitted to pursue the estate of the bankrupt in the State Court, but should come to the tribunal which, under the Federal laws, is charged with its administration. No injustice can result from this. If there be doubt whether the mortgaged premises are an adequate security for the payment of the debt and interest, (when finally adjudged due upon a valid mortgage,) the Court will recognize the prior lien of the mortgage upon the land, and the equitable right of the mortgagee to have the rents separated from the general estate of the bankrupt, by a receivership or otherwise, and not permit them to be applied to the payment of other debts, or even to the expenses of the assignee, or his fees; and on the obvious ground that he is only entitled to the interest which the bankrupt has in the premises. Nor will any delay be permitted without just reference to the interests of all who are concerned, the mortgagee as well as other creditors. Nor do I think it doubtful, that, where no just cause for questioning the validity of the mortgage exists, the Court in bankruptcy would entertain the summary petition of a mortgagee for the sale of the mortgaged premises, and direct the assignee to make the sale, either free of all liens, or subject to the mortgage, as might be deemed judicious. Nor, if the assignee disputed the validity of the mortgage, is it doubtful, that, under the jurisdiction declared in the second section of the bankrupt law, the

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mortgagee may proceed by bill, in either the District or Circuit Court. It is, therefore, an error, to insist that the mortgagee, if not permitted to proceed in the State Court, is remediless, or that he must await the pleasure of the assignee, and suffer him to collect the rents and income of the mortgaged premises, leaving the interest unpaid.

I can see, I think, that it was either misapprehension on this subject, or a disregard of these views, that led the mortgagees in this case into the State Court after the bankruptcy, and after the appointment of the assignee, and that the resistance to any withdrawal of the administration from the bankruptcy Court, the proper tribunal, has resulted in bitter personal feeling, in great and unnecessary delay, and in large expenses and possible loss, which might have been easily avoided.

It further appears, that, pending the controversy, the petitioner for the review has become the sole creditor of the bankrupt, (other than two prior mortgagees of the premises in question,) and that no property of the bankrupt has come to the assignee, except the mortgaged premises. The bankrupt united in the petition for the substitution of an assignee to be named by the petitioner, as such sole creditor. The assignee, by his counsel, on the argument of this review, declared his entire assent to such change. There is, therefore, no reason why the prayer of the petitioner, to that extent, should not be granted, the present assignee being allowed, out of any moneys collected, his just and reasonable disbursements, and his commissions upon the moneys received and paid or to be paid. But, it would not be just or reasonable to allow him, as was suggested on the argument, commissions based upon the speculative idea, that, possibly, if continued in office, and permitted, for the mere purpose of earning commissions, to litigate the validity of the mortgages, against the will of all who are interested in that question, he might establish their invalidity. The bankrupt law was not enacted for the purpose of enabling assignees to earn fees by unnecessary litigation, when no interest of the parties to be affected

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thereby requires it, and when, on the contrary, every beneficial interest involved forbids it.

Had it, therefore, appeared, that, upon the conceded fact, that there are no general creditors but the petitioner, and, therefore, no interest is to be served by further contest respecting the mortgages, (the bankrupt himself uniting in the petition,) the District Court had refused to substitute such other assignee, there might have been reason for asking this Court to review the decision. But it appears, by the opinion of the District Judge, that the petitioner declined to take such substitution unless it proceeded upon other grounds; and this was conceded on the argument in this Court. This, however, does not appear by the order which was made and which is under review. It ought, I think, to have been made a part of the order, lest there should stand on the record an adjudication that the petitioner was not entitled, upon conceded facts, to have any part of the relief sought. The mere fact that the petitioner, under the advice of his counsel, thought himself entitled to a removal of the assignee on the other ground, ought, probably, not to deprive him of the opportunity to bring the matter to a close without further litigation.

Let an order be made, that the assignee convey the estate of the bankrupt to such assignee as the petitioner and the bankrupt may name, or, if they do not agree, to refer it to Register Winslow to receive the nomination of the petitioner, and, if he approve such nomination, then to the assignee so approved, but reserving to the present assignee all moneys collected by him, until his just allowance for his expenses and for his commissions thereon shall be settled in such manner as the District Court may direct.

Andrew C. Morris, for the petitioner.

Tracy, Catlin & Van Cott, for the assignee.

GAZAWAY B. LAMAR vs. CHARLES A. DANA.

A suit brought in a State Court having been removed into this Court, under § 5 of the Act of March 3d, 1868, (12 *U. S. Stat. at Large*, 756,) as having been brought for an arrest of the plaintiff, made by the defendant, during the late rebellion, by authority of the President, the plaintiff moved to remand the cause to the State Court, on the ground that the jurisdiction of this Court over it had been taken away by the Act of March 2d, 1867, (14 *Id.*, 432,) *Held*, that the motion must be denied.

Notwithstanding the latter Act, the parties respectively can raise any questions in this Court, after removal here, which they could raise if the cause had been here commenced, or which they could raise in the State Court, if the cause were remanded.

If it be insisted that the said Act of March 2d, 1867, legalizing acts done by authority of the President, and forbidding all Courts, State or Federal, to take jurisdiction thereof, be invalid, as unconstitutional, such invalidity can be urged in the Federal Court, with the same effect as in the State Courts, and on like grounds.

An Act of Congress, relied upon as a defence, ought not to be declared unconstitutional, on such a motion, but such defence should be met in the ordinary mode, on trial, demurrer or otherwise, in which a ruling upon the question may appear on the record, and, if need be, may be reviewed in the Court of last resort.

(Before WOODRUFF, J., Southern District of New York, June 5th, 1872.)

WOODRUFF, J. The declaration in this action alleges, that, in April, 1865, at Savannah, in Georgia, the defendant, by authority, and with the approval, of the President of the United States, with force and arms, seized and laid hold of the plaintiff, expelled him from his dwelling house, transported him to Washington and to prison, and there confined him for three months, without reasonable or probable cause, and contrary to law, giving other particulars of alleged injury, &c., and prays damages one hundred thousand dollars. The action was brought in a Court of the State, and, on application of the defendant, was removed to this Court. The plaintiff now moves to remand the cause, on the ground that this Court has no jurisdiction to hear, try or determine it.

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By the fifth section of the Act of March 3d, 1863, (12 *U. S. Stat. at Large*, 756,) it is enacted, that, "if any suit or prosecution, civil or criminal, has been, or shall be, commenced in any State Court, against any officer, civil or military, or against any other person, for any arrest or imprisonment made, or other trespasses or wrongs done or committed, * * * at any time during the present rebellion, by virtue, or under color, of any authority derived from, or exercised by or under, the President of the United States," the defendant, complying with the conditions prescribed in the Act, may have the cause removed for trial to the Circuit Court of the United States, that the State Court shall proceed no further therein, and that the "cause shall proceed" in the Circuit Court "*in the same manner* as if it had been brought in said Court by original process." That the present action is within the operation of this Act appears by the declaration, more fully by the affidavits read on the motion, and was expressly admitted on the argument. If, therefore, there is nothing else affecting the question, the cause was properly removed to this Court, on the application of the defendant, and, if any further steps are taken therein, in any form and for any purpose, the cause must proceed in this Court.

By the Act of March 2d, 1867, (14 *U. S. Stat. at Large*, 432,) it is enacted, that, "all acts, proclamations, and orders of the President of the United States, or acts done by his authority or approval, after the 4th of March, A. D. 1861, and before the 1st day of July, A. D. 1866, respecting martial law * * * or the arrest, imprisonment and trial of persons charged with participation in the late rebellion, * * * or as aiders or abettors thereof, * * * and all proceedings and acts done or had by courts martial, * * * or arrests and imprisonments made in the premises by any person by the authority of the orders or proclamations of the President, made as aforesaid, or in aid thereof, are hereby approved, in all respects, legalized and made valid. * * * And no civil Court of the United States, or of any State, or of the District of Columbia, or of any District or Territory of the

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United States, shall have or take jurisdiction of, or in any manner reverse, any of the proceedings had or acts done as aforesaid, nor shall any person be held to answer in any of said Courts for any act done, or omitted to be done, in pursuance, or in aid, of any of said proclamations or orders, or by authority, or with the approval, of the President, within the period aforesaid, and respecting any of the matters aforesaid."

In support of the present motion, it is argued, that this last named Act of Congress, if it has operation according to its terms, has destroyed the plaintiff's cause of action, defeated his remedy, and taken from this Court all jurisdiction to entertain the suit for any purpose; that, such jurisdiction having been withdrawn from this Court, the plaintiff cannot be permitted here to raise any question touching the validity of the Act of Congress, or covering any ground upon which he claims a right to recover, notwithstanding the Act; that the State Court has jurisdiction of such a cause of action, and Congress cannot impair that jurisdiction; that, in the State Court, the plaintiff can be heard, not only on the question of the validity of an Act of Congress which purports to forbid the State Court from holding the defendant to answer, but on the effect of the Act in attempting a retrospective affirmance of the validity of the defendant's acts toward the plaintiff, and also on any other question upon which, in the State Court, the plaintiff's right to recover may seem to depend; that, as the Circuit Court derives its jurisdiction from Acts of Congress, so a jurisdiction once conferred may be withdrawn, and, by the Act last cited, all jurisdiction of the subject-matter of this suit was withdrawn, and the only tribunal which can lawfully consider the questions involved therein is the State Court from which the cause was removed, and that Court may deny that Congress can deprive it of jurisdiction to inquire into the sufficiency and legality of any justification under the authority of the President, or to hold the defendant to answer to the cause of action alleged in due form in that Court; and that the cause should, therefore, be remanded.

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The answer to the motion and to the grounds upon which it is urged do not seem to me to be doubtful.

(1.) So far as the removal of the cause from the State Court to the Federal tribunal operates to deprive the former of jurisdiction, the Act of 1863 is not claimed to be invalid. Within the scope of the jurisdiction which may, under the Constitution of the United States, be conferred on the Federal tribunals, Congress may secure to parties the benefit of that jurisdiction, as well by authorizing removal from the State Courts, if suit be there begun, as by authorizing the bringing of the suit therein originally.

(2.) The bringing of this action in the State Court by the plaintiff confessedly made the precise case in which, by the Act of 1863, the defendant had the right of removal to the Federal Court, for the adjudication of whatever question might arise therein. The right of removal, by the Act of 1863, in no wise depended upon the nature or form of the question to be raised in the possible progress of the litigation, nor upon the form or manner in which thereafter it might be sought to raise it. The only condition of the right of removal was, that a suit had been commenced, and for a cause of action within the scope of the Act.

(3.) The Act of 1867, as now claimed, has furnished a complete defence in the Federal Court, either by justifying the acts complained of, and so destroying the cause of action, or by forbidding the Court to inquire beyond the mere fact that such acts were done by authority of the President, and, practically, in this case, in which such authority is conceded, forbidding the Court to inquire at all into the matter. If the effect of the last named Act is to close the door to any inquiry in the Federal Court, notwithstanding removal to that tribunal, one of two things follows, that is to say, the Act, being valid, must be permitted to operate, and, as a practical result, inquiry into the validity of the acts done to the defendant by authority of the President, during the rebellion, is excluded, and such authority is to be deemed the final test and conclusive denial of the plaintiff's right to complain thereof; or, if

the Act be not valid, then the Act does not operate to prevent that inquiry in this Court. To say that the Act may operate to prevent inquiry, in the Federal Court, into any question which may be raised and passed upon in the State Court, is a misconstruction of the statute. The Act is valid, in its very terms, as forbidding any Court from questioning the validity of the acts of which the validity is therein affirmed, or it is not. Its effect in the Federal Court is the same as, and no other than, in the State Court.

(4.) It is, I think, clear, that, whatever questions, arising upon the declaration in this cause, or upon such defence as may be interposed thereto, are open to inquiry or proof any where, are open to inquiry in this Court.

(5.) The Act, by its terms, treats all civil Courts, State and Federal, alike, in this matter. If the statute is valid and binding, it would be idle to remand the cause to a State Court, when, according to the very terms of the Act of 1863, it has been duly removed to this tribunal, and the State Court has been forbidden to proceed further therein, and when, also, that Court can lawfully entertain no jurisdiction to impugn the act or authority of the President, or acts done under his authority, and can, in short, no more proceed in the action than can this Court. If the Act be not valid and binding, that objection can as well be urged in this Court.

(6.) But, what seems to me conclusive is, that the Act of 1863, under which the action was removed to this Court, directs this tribunal to proceed therein in the same manner as if the cause had been brought in this Court by original process. The removal places the cause in the same position here as if so brought. This operates in this case as in all other cases so removed. Had the cause been brought here in the first instance, all legal defences would have been available to the defendant, whether they went to jurisdiction to inquire, or were in bar of the action on any ground. All that the removal has done is to change the tribunal which is to pass upon the questions involved. Power in Congress to make such a change of tribunal, at the instance, and for the protection, of

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a defendant, is not open to question, where, as in general, investigation of the merits of a controversy is to be had in the Federal Court; and, if it could be successfully insisted that the law, in this instance, operated to take away the jurisdiction of the State Court, without conferring it upon the Federal tribunal, and it were thereupon claimed that it was an unconstitutional interference with the jurisdiction of the State Courts, I should say, that it is not suitable to declare an Act of Congress unconstitutional on such a motion as this. The plaintiff should be left to pursue the cause, meet such defence as the defendant may be advised to interpose, and present his objections based upon the supposed unconstitutionality of the Acts of Congress, in a form in which they can be considered, and, if need be, reviewed, in the ordinary course of judicial proceedings in the Federal Courts.

The motion must be denied.

William W. McFarland, for the plaintiff.

Noah Davis, (*District Attorney*,) for the defendant.

EDWARD S. RENWICK AND OTHERS

vs.

CHARLES H. POND. IN EQUITY.

The reissued letters patent granted to William C. Hicks, March 1st, 1870, for an "improvement in breech-loading fire-arms," the original patent having been granted to Hicks, as inventor, March 10th, 1857, are valid.

Hicks was the first person who devised a practical mechanism for certainly withdrawing a loaded cartridge from its chamber, in a breech-loading fire-arm, under all conditions, as well when its rim or flange has not been ex-

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panded by the blow of a striking instrument, as when it has been so expanded, by effecting such withdrawal, through the engagement, within the periphery of such chamber, of a hook, actuated automatically, with a metallic flange forming part of the cartridge.

Although the patent describes the invention as applied to a cartridge, the flange of which radiates inwardly towards the longitudinal axis of the cartridge, and describes the hook as a rigid hook, and the flange as springing, to engage with the hook, yet an arm in which a cartridge is used, the flange of which radiates outwardly from the longitudinal axis of the cartridge, and is rigid, and in which the hook springs, to engage with the flange, infringes the first three claims of such patent, providing such arm has a breech-closing piece moving longitudinally with the barrel, a cartridge chamber at the butt of the barrel, and a reciprocating extracting hook, arranged in such manner that, when the breech is closed by the forward movement of the closing piece, the bill of the hook is within the periphery of such chamber, and, being in its most forward position, is in advance of the rear of the space in which the cartridge is received, so as to engage with the unexpanded front side of the flange of the cartridge, and only one side of the flange is engaged with the bill of the hook, avoiding any difficulty in disengaging the cartridge.

Claiming the arrangement of a combination, when the arrangement is such as to produce a given mechanical result of the combination, is not a claim to a function, nor is it a claim to a result, irrespective of the means of producing it, but it is a claim to the means alone, and only when specially arranged to produce a given result.

In order to infringe the patent, it is not necessary to use a cartridge, if an arm be sold, capable of being, and designed to be, used to effect the result of the patent, by the means specified in its claims, and requiring only the addition of the cartridge by the purchaser.

(Before BLATCHFORD, J., Southern District of New York, June 8th, 1872.)

BLATCHFORD, J. This suit is founded on reissued letters patent granted to William C. Hicks, March 1st, 1870, for an "improvement in breech-loading fire-arms." The original patent was granted to Hicks, an inventor, March 10th, 1857, and was reissued to him May 9th, 1865, and again January 18th, 1870. On the 27th of February, 1871, the patent was extended for seven years from the 10th of March, 1871. This bill was filed in May, 1870, and is not founded on the extension.

The specification states, that the object of the invention "is, primarily, to extract from the breech of a fire-arm, the cartridge, or the remnant thereof which remains after firing,

and, secondarily, to secure the explosion of the percussion primer"; that, to this end, the invention "consists of certain combinations and arrangements of one or more extracting hooks, the reciprocating breech-pin or breech-closer of a fire-arm, and the chamber in the breech of a fire-arm, in which the cartridge is received"; that the invention is "applicable to breech-loading fire-arms of various constructions," and reference is made, "in order that it may be fully understood," to a pistol manufactured, at the time of the invention, by the Volcanic Repeating Arms Company, with Hicks' improvements applied thereto, "said pistol being, in other respects, substantially the same as that described in the patent granted to Horace Smith and D. B. Wesson, the 14th day of February, A. D. 1854." The specification then describes, with references to the drawings, the parts of such pistol which are important to an understanding of the invention. The pistol has a barrel constructed to be loaded, at the breech, with a cartridge which has at its butt an internal brass flange, which flange, being elastic, yields when pushed forward by an inclined instrument, and tends to regain its original form when the instrument has passed by it. The powder is in a cavity in the ball. Next the powder is a steel disk, and the percussion primer is placed against such disk and between it and a thin disk of cork. The barrel of the pistol has an enlarged chamber at its rear end, for the reception of the cartridge, the chamber being deep enough to receive within it the entire cartridge, including the flange. The cartridge is pushed into the chamber by means of the breech-pin, operated by a lever which moves the breech-pin and its connections to and fro. The pistol is fired by a hammer, which operates, through the intervention of the breech-pin and its appurtenances, on the primer in the cartridge. The forward end of the breech-pin carries the extracting hook or hooks. Where two are used, they are side by side, each arranged to act at one side only of the flange of the cartridge, their bills both pointing in the same direction, so that, when the cartridge is withdrawn from the chamber, it may be readily disengaged from the bills of the hooks, by moving the cartridge in the

plane of the profiles of the hooks, which could not be readily done if two hooks, when used, were arranged at opposite sides of the cartridge flange, so as to hold the cartridge between them. The specification states, that the application of the extracting hook to the forward end of the breech-pin constitutes no part of the invention, and that the hook is used as the striking instrument, for striking the percussion primer, in addition to performing its function of extracting the cartridge. As the flange of the cartridge used with the pistol is made of elastic metal, which will yield to permit the hooks to pass by it, they are made rigid by being formed upon a cylindrical plug or stock, and are connected with the breech-pin by driving said stock into a socket formed in the front end of the breech-pin. As the breech-pin is connected with a lever, the extracting hooks, being connected with the breech-pin, are combined with the said lever, so that, when the lever is turned in one direction, the extracting hooks are moved forward, and, when the lever is moved in the opposite direction, the extracting hooks are withdrawn. Each extracting hook is so arranged, relatively to the cartridge chamber, that the bill of the hook, when advanced, enters within the periphery of the cartridge chamber, so as to be sure to engage with the flange of the cartridge therein. Each hook, also, is so arranged, relatively to the cartridge chamber, that the bill of the hook, when moved to its most forward position, is in advance of the rear of the space occupied by the cartridge, at least as far as the thickness of the flange thereof, so that the shoulder of the hook may engage with certainty with the forward side of the cartridge flange. When the pistol is to be loaded, the movement of the lever opens the breech, by moving the breech-pin or breech-closer backward, in the longitudinal line of the barrel, or thereabouts, and withdraws the extracting hooks, while the movement of the lever in the opposite direction first impels the cartridge into the chamber of the breech. When, however, the cartridge reaches a shoulder at the front end of the chamber, its forward movement is stopped, and then the continued movement of the lever impels the extract-

ing hooks forward past the edge of the flange of the cartridge, and, as the point of each is inclined, or sloped off, in advance of its shoulder, the bill of the hook readily passes over the edge of the flange, which, being of thin metal, yields to the pressure of the hook. When the shoulder of the hook has passed by the edge of the flange, the latter, being elastic, tends to resume its original position, and the shoulder of the hook engages with the flange, so that, if the lever be then moved to open the breech, the hooks will extract the cartridge, by reason of their engagement with its flange. The first movement of the breech-pin, in opening the breech of barrel, and its last movement, in closing the breech, take place in the longitudinal line of the barrel, or thereabouts. In the fire-arm before referred to, the construction of the cartridge with a thin flexible flange permits the extracting hook to be rigidly secured to the breech-pin, but that feature is not claimed as a peculiarity of the invention. The construction of the cartridge, with the primer arranged in its interior, in the line of movement of the point of the extracting hook, after passing the flange, enables the hook to be used as the striking instrument, for transmitting the blow of the hammer to the primer, although such use of the hook does not affect its operation in extracting a cartridge, and is not essential to it. But, the movement of the breech-pin or closing piece longitudinally with the barrel, or thereabouts, at the time of opening and closing the cartridge chamber, is important, and is a distinguishing feature of the invention. The reason why two striking instruments are used, and are an improvement upon one, is stated to be, that, when a single striking instrument is used, the cake of percussion powder forming the primer, being struck at about its centre, frequently splits into parts, and allows the striking instrument to pass forward between the parts, without striking them against the disc-support of the primer, and hence the fire-arm frequently fails to discharge, whereas two striking instruments will hold some portion of the cake between their points, so that it cannot escape, and some portion of it is certain to be struck between

the points of the striking instruments and the disc-support, and the fire-arm is sure to fire. The specification states, that, in the fire-arm described in the said patent to Smith and Wesson, two extracting hooks were used, but, they were so arranged, that, when advanced, their bills were outside of the periphery of the cartridge and of the chamber in which it was received; that, consequently, they could not engage with the cartridge-case unless its butt were first expanded by the blow of the striking instrument; and that, hence, the loaded cartridge could not be withdrawn by the hooks, and they could be used only to extract an expanded and empty cartridge-case. The specification concludes: "As the bill of my extracting hook, when moved forward, is within the periphery of the cartridge chamber, and within the space occupied by the cartridge-flange, it must, of necessity, engage with the cartridge-flange, whether the cartridge has been fired or not, and, consequently, can be used to withdraw a loaded cartridge." The claims of the patent, four in number, are as follows: (1.) "The combination, substantially as set forth, of the breech-closing piece, moving longitudinally with the barrel, the cartridge chamber at the butt of the barrel, and the reciprocating extracting hook, arranged in such manner that its bill enters within the periphery of the said chamber, so that it may engage with the flange of the cartridge therein, when the breech is closed by the forward movement of the closing piece, even though the cartridge be not expanded." (2.) "The combination, substantially as set forth, of the breech-closing piece, moving longitudinally with the barrel, the cartridge chamber at the butt of the barrel, and the reciprocating extracting hook, arranged in such manner that, when the barrel is closed by the forward movement of the closing piece, and when the bill of said hook is in its most forward position, the said bill is both within the periphery of said chamber, and in advance of the rear of the space in which the cartridge is received, so that said bill may engage with the unexpanded front side of the flange of the cartridge, when the latter is within the said space." (3.) "The combination, substantially as set forth, of

the breech-closing piece, moving longitudinally with the barrel, the cartridge chamber at the butt of the barrel, and the extracting hook described, arranged in such manner that but one side only of the flange of the cartridge is engaged with the bill of a hook inside of the cartridge chamber, thereby enabling the cartridge remnant to be readily disengaged from the extracting hook." (4.) "The combination and arrangement, substantially as set forth, of the hook, with the breech-closing piece, moving in the line of the barrel, in such manner that the said hook performs the two functions of transmitting a blow to the primer, and of extracting the cartridge remnant from the breech of the fire-arm."

The answer sets up a prior description of the invention in the said patent to Smith and Wesson, of the 14th of February, 1854, and in a patent granted by the United States to George W. Morse, October 28th, 1856; and, also, prior knowledge and use of the invention by various persons named. It also sets up, that the invention had been, with the knowledge and consent of Hicks, in public use and on sale more than two years prior to the application by him for a patent therefor. It also sets up, that the reissue of March 1st, 1870, was obtained by Hicks for the fraudulent purpose of enabling him to include therein matters of which he was not the original and first inventor, and that it includes such matters, and that they, on the face of the patent, (especially in connection with the state of the art as it existed at the date of the original patent, and subsequently,) clearly appear to be different from the invention described and claimed in the original patent, and that the reissue is, therefore, void.

It is insisted, that the defendant has infringed the first three claims of the patent, by selling fire-arms manufactured by the Winchester Repeating Arms Company, of New Haven, Connecticut, containing the inventions covered by those claims. The defendant's fire-arm cannot be used with a cartridge like that described in the plaintiffs' patent, having a central hole in the metal cap at the rear, and no flange at the rear projecting beyond the outer diameter of the body of the

cartridge in a direction at right angles to its longitudinal axis, but can be used only with a cartridge which has such a flange. To fire the cartridge, in the defendant's arm, two points, carried by a rod in the breech-piece, strike the rear end of the cartridge, near its outer circumference, and explode the fulminate within. In the upper surface of the breech-piece there is a groove, into which is fitted a spring, the forward end of which is formed into a hook, which projects beyond the front face of the breech-piece, so that, when the cartridge is pushed into the chamber of the barrel, the hook springs over the outer flange of the cartridge, and engages with the flange, and, when the breech-piece is retracted, the hook draws the cartridge out of its chamber.

There can be no doubt, on the evidence, that Hicks was the first person who devised a practical mechanism for certainly withdrawing a loaded cartridge from its chamber, in a breech-loading fire-arm, under all conditions, as well when its rim or flange has not been expanded by the blow of a striking instrument, as when it has been so expanded, by effecting such withdrawal through the engagement, within the periphery of such chamber, of a hook, actuated automatically, with a metallic flange forming part of the cartridge. In devising such mechanism, he made an important invention. Sometimes, it is desired to withdraw the loaded cartridge without attempting to fire it. Before the invention of Hicks, the only certain means of doing so was to insert a rammer in the muzzle of the barrel of the fire-arm, and push the cartridge out through the breech end. This was dangerous, because liable to cause the cartridge to explode by striking its fulminate end against the breech closing piece. The mechanism described in the patent issued to Horace Smith and Daniel B. Wesson, February 14th, 1854, and reissued to them October 10th, 1854, would withdraw the cartridge only after its rim had been forced, by expansion caused through the blow of the striking instrument, to engage with recesses provided to receive it, and would not withdraw a loaded cartridge before any attempt had been made to fire it. Although the application by Hicks

for his original patent of March 10th, 1857, was not made until the 20th of February, 1857, yet his invention dates back to a period shortly after the 14th of August, 1855, and anterior to the date of the invention shown in the patent of October 28th, 1856, granted to George W. Morse. No such combination and arrangement as that described in the patent to Hicks, and covered by his first three claims, to effect the result of withdrawing an unexpanded loaded cartridge, existed before his invention. The same combination and arrangement, operating in substantially the same way, to effect the same result, is found in the defendant's fire-arm. It can make no difference, that the flange of the defendant's cartridge radiates outwardly from the longitudinal axis of the cartridge, and that the flange of the plaintiffs' cartridge radiates inwardly towards the longitudinal axis of the cartridge. Nor can it make any difference, that the defendant has a rigid flange in the cartridge, and causes the hook to spring, to engage with the flange, while the plaintiffs have a rigid hook, and cause the flange to spring, to engage with the hook. Each has the breech-closing piece moving longitudinally with the barrel, the cartridge chamber at the butt of the barrel, and the reciprocating extracting hook, arranged in such manner that, when the breech is closed by the forward movement of the closing-piece, the bill of the hook is within the periphery of such chamber, and, being in its most forward position, is in advance of the rear of the space in which the cartridge is received, so as to engage with the unexpanded front side of the flange of the cartridge, and only one side of the flange is engaged with the bill of the hook, avoiding any difficulty in disengaging the cartridge.

It is shown, that, to reach the invention made by Hicks, it was necessary for him, taking the cartridge and nipple or firing instrument which he used, to make a properly shaped hook on the nipple, to change the location of the nipple relatively to the breech-pin and to the cartridge chamber, and to bring the flange of the metal cap on the cartridge within reach of the hook, by reducing the size of the central hole in

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such cap. Although the cartridge and its flange are not made part of the combination, in any one of the first three claims, yet, the combination is required to be so arranged as to effect and ensure an engagement between the bill of the hook and the flange of the cartridge, by merely closing the breech by the forward movement of the closing piece. Such engagement is the purpose of the combination and arrangement. If the combination exists, yet, if it is not so arranged as to effect such engagement, there is no infringement. So, the prior existence of the combination of a breech-closing piece moving longitudinally with the barrel, a cartridge chamber at the butt of the barrel, and a reciprocating hook, the whole arranged so that the hook would extract something from the chamber, by means of the motion of the breech-closing piece, is of no avail to impeach the patent, so long as such combination was not so arranged as to extract an unexpanded loaded cartridge, through the engagement of the hook with the flange of the cartridge by the forward movement of the closing-piece, and the sequent action of the closing-piece in its backward movement.

It is contended, that the patent shows but a single arrangement of the three elements of the combination named; that three claims on such single arrangement cannot be sustained; that each claim rests on a portion of the result to be accomplished by working the arrangement; that, thus, each claim claims a function; that such functions are not patentable; that, to perform the functions, requires that the cartridge be used; and that the defendant has not used the cartridge, and so has not infringed. I do not think the patent is open to these objections. The first claim is the same it would be if it claimed causing the bill of the reciprocating extracting hook to enter within the periphery of the cartridge chamber, by means of the combination specified, when so arranged as to enable the bill to engage, in such chamber, with the flange of the cartridge when the breech is closed by the forward movement of the closing-piece, even though the cartridge be not expanded. The second claim is the same it would be if it

claimed causing the bill not only to enter within the periphery of the cartridge chamber, but to be, when in its most forward position, in advance of the rear of the space in which the cartridge is received, by means of the combination specified, when so arranged as to enable the bill to engage with the unexpanded front side of the flange of the cartridge, when the latter is within the said space and the breech is closed by the forward movement of the closing-piece. The third claim is the same it would be, if it claimed so arranging the hook or hooks, in the combination specified, as to act at one side only of the flange of the cartridge in the chamber, thus enabling what is withdrawn by the hook or hooks to be readily disengaged therefrom. It cannot be doubted that the claims, thus presented, would not be open to criticism. The first and second would be different from each other, in substance, and the third would be wholly distinct from either. The patentee would be entitled to make such claims, because they are embraced in what is shown in his original specification and drawings; and he really invented what each would cover. It could not be said, *a priori*, that the first claim would necessarily cover the position of the bill of the hook in advance of the rear of the space in which the cartridge is received, or the ability of such bill to engage with the unexpanded front side of the flange of the cartridge, when the latter is within the said space. Nor could it be said that the first claim would necessarily cover anything more than the entrance of the bill of the hook within the periphery of the cartridge chamber, and its ability to engage therein with the flange of the cartridge.

Claiming the arrangement of a combination, when the arrangement is such as to produce a given mechanical result of the combination, is not a claim to a function. The result is not claimed irrespective of the means producing it. The means alone are claimed, and claimed only when specially arranged to produce a given result. This is very far from claiming a function.

The defendant may not have himself used a cartridge in

the fire-arms sold by him, so that it can be said he has caused the hook to engage with the flange of the cartridge, and he may never have withdrawn a loaded ball and disengaged it from the hook. But, even if the cartridge were to be regarded as a part of the arrangement and combination, the defendant would, within the principle of the case of *Wallace v. Holmes*, (9 *Blatchf. C. C. R.*, 65,) be an infringer, by selling an arm capable of being, and designed to be, used to effect the result of the patent by the means specified in its claims, and requiring only the addition of the cartridge by the purchaser.

It is contended, by the defendant, that the first three claims of the plaintiffs' patent must be limited to an arrangement by which the hook shall bodily enter within the cartridge chamber, so that its bill may enter the rear end of a cartridge, when one is in the chamber, and engage with the inner edge of an inner flange of the cartridge; that the reissue is enlarged beyond the invention actually made and presented in the original patent, so as to cover inventions subsequently made by others; that, in the defendant's arm, the instrument for extracting the cartridge never enters any portion of the cartridge, and no portion of it ever enters the cartridge chamber proper; and that the defendant's device could not operate with a loaded cartridge of the character shown in the plaintiffs' patent, and the plaintiffs' hook could not operate with such a cartridge as is used in the defendant's arm. These views are pressed with great earnestness, but they seem to me to be without real strength. The invention of Hicks involved only slight changes in what existed before, but those slight changes brought success. When the idea of Hicks was once embodied in practice, it was easy to adapt it to any form of flange. When a cartridge with a flange on the exterior rim was used, it required only ordinary mechanical skill, to take Hicks' invention and apply it to such flange, making the spring in the hook instead of in the flange. The change embodies Hicks' invention, although it may contain some patentable improvements. In respect to the cartridge

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described in the plaintiffs' patent, its chamber is the entire space which it, and its cap, and the flange, and all its component parts occupy in the arm, the chamber being formed by the walls enclosing such space. Into that space the bill of the plaintiffs' hook enters, because of the central hole in the cap. So, in the defendant's arm, the cartridge chamber is the entire space occupied by the cartridge and its flange, the flange being as much a part of the cartridge as any other part, and the chamber is formed by the walls enclosing such space. Into such space the bill of the defendant's hook enters, provision being made to allow the hook room to ride over the flange.

The fact, that no arms are now made in which the hook on the nipple in the breech-pin enters within the diameter of the body of the loaded cartridge, is due to the fact that such form of cartridge as is shown in the plaintiffs' patent has been superseded in practice, because of the preference given to cartridges with a flange on the exterior rim.

There is nothing to impeach the validity of the plaintiffs' patent, and it is established that the defendant's arm infringes its first three claims. There must be a decree for the plaintiffs, for an account, in respect of such infringement, with costs. As the bill is not based on the extension, there can be no injunction in this suit.

Edwin W. Stoughton and George Gifford, for the plaintiffs.

Charles M. Keller and John S. Beach, for the defendant.

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HORACE M. RUGGLES

vs.

CHARLES EDDY AND OTHERS. IN EQUITY.

S., a patentee, assigned to R. all his interest in "the invention as secured to him by the patent," for the whole of the United States, (reserving to J. the right to use the patent at a particular place, and to sell in particular territory the products of such use,) the same to be held and enjoyed by R., for his own use and that of his representatives, "to the full end of the term for which said letters patent are or may be granted," as fully and entirely as the same would have been held and enjoyed by S., had the assignment not been made. This assignment was recorded in the Patent Office. Subsequently, the patent was extended to S., and he afterwards assigned to E. all his interest in the extension. E. went on to use the invention, and was sued by R., in equity, for infringement: *Held*, that the right to the extended term passed to R., the first assignee.

The legal effect of the assignment to R. cannot be varied by parol evidence not showing mutual mistake.

The title of R., if regarded as an equitable title, is sufficient to enable him to sue E., in equity, E. having taken title after the assignment to R. was recorded.

But, *semble*, that R. took the legal title.

(Before WOODRUFF, J., Northern District of New York, June 18th, 1872.)

WOODRUFF, J. The complainant sues as the assignee of an invention of an improvement in coal stoves, for which letters patent were granted to Henry Stanley on the 4th day of January, 1845, which letters patent were extended on the 24th day of December, 1858, for a further term of seven years. The defendants' answer and the proofs show, that the defendants, since the said extension, have used, and are using, the invention for which such letters patent and the extension thereof were granted, by the manufacture of stoves embracing the improvements which were the subject of the patent. On this point there is no dispute between the parties. The defendants justify their use of the said improvements by the facts, that the said extension of the letters patent was granted to the said Henry Stanley, the original patentee, and that,

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after such extension, all his right, title and interest in, under or by virtue of, the said extension of the said patent, have, through mesne assignments, come to them. On the other hand, the complainant insists, that, by virtue of the assignment made by the original patentee to one Henry J. Ruggles, who assigned to the complainant, the extension enured to the benefit of the complainant, and that, such assignments being duly recorded before such extension, no transfer of the extended patent could confer upon the defendants the right to use the said invention, or make or sell stoves embracing the patented improvements. The principal question, therefore, is, whether the assignment by the patentee to Henry J. Ruggles operated to vest in him the right to the invention for the term of the extension subsequently granted to the patentee.

The assignment to Henry J. Ruggles was made on the 18th day of May, 1853, in consideration of \$4,750, and, after reciting the granting of the said letters patent, and certain other letters patent, it, in terms, assigns "all the right, title and interest which I" (the patentee) "have in the said inventions, or either of them, as secured to me by said letters patent, for, to and in the several States of the United States, except, I reserve the right for my brother, John P. E. Stanley, of Baltimore, to use any or all of the above patents in his foundry in Baltimore, but not elsewhere, and to sell the stoves which he makes from said patents, in Pennsylvania, and in the States south and west of Pennsylvania, and not elsewhere; the same to be held and used by the said Henry J. Ruggles, for his own use and behoof, and for the use and behoof of his legal representatives, to the full end of the term for which said letters patent are or may be granted, as fully and entirely as the same would have been held and enjoyed by me had this assignment and sale not have been made."

• This assignment is of the invention, and not, in words, an assignment of the letters patent. The expression, "the said invention, as secured to me by said letters patent," is, probably, susceptible of two constructions—one, "the said

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invention described in the letters patent," the terms, "as secured by the letters patent," being employed to limit the grant to the precise invention secured by the patent; the other construction being, "the said invention, to the extent and according to the legal effect only of the letters patent," which might be deemed to limit the transfer to the term of the patent actually then granted. If there was nothing more in the assignment, indicating the intention of the parties, the last-named construction would, at least, be plausible. But when, in connection with a transfer of the invention, it was added, to be held and used by the assignee, for his own use, and for the use of his representatives, "to the full end of the term for which said letters patent are or *may be* granted," the intention to grant the whole right and interest of the inventor in the invention, within the specified territory, becomes conspicuous—not because the habendum clause enlarges the grant, but because it makes it more clear what the parties intended, namely, to assign the whole invention described in the patent.

I am not able to withdraw this case from the operation of the decision of the Supreme Court of the United States in *Railroad Company v. Trimble*, (10 Wallace, 367, 378,) where, in all that is material to the effect of the instrument between the parties in this respect, the language of the assignment was identical with the assignment now in question; and the decision of that Court in *The Nicholson Pavement Co. v. Jenkins*, at the December Term, 1871, now just closed, (14 Wallace, 452,) is in full affirmance of the other case. In the latter, the Court says: "Manifestly, something more was intended to be assigned than the interest then secured by letters patent. The words, "to the full end of the term for which the said letters patent are or may be granted," necessarily import an intention to convey both a present and a future interest, and it would be a narrow rule of construction to say that they were designed to apply to a reissue merely, when the invention itself, by the very words of the assignment, is transferred." The legal effect of the

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instrument now in controversy is, therefore, not an open question. Those decisions conclude this Court, if there otherwise seemed doubt respecting it.

Parol evidence was offered by the defendants, that there was no promise or agreement by the patentee that the assignment should convey the extension, if the patent should be extended; that the patentee did not intend to convey any interest "beyond that embraced in the life of the original patent;" that the patentee received from the assignee no consideration for the extended term; and that the patentee paid the expenses of procuring the extension of the patent. The decisions of the Supreme Court, above referred to, having settled the legal construction and effect of the assignment actually made, this evidence cannot be permitted to vary or alter it. It shows no mutual mistake. The consideration actually acknowledged was \$4,750, for what was assigned. The assignee, in the absence of proof of clear mistake, must be presumed to have paid that consideration for what the assignment, as matter of law, did convey. It is, probably true, that nothing was said, at the time, on the subject of an extension. Very probably, neither of the parties then knew that an extension ever would be granted; and all the above testimony is, therefore, quite consistent with the fact, that the patentee intended to transfer all his interest in the invention, for the specified territory. Certainly, it fails to show any intention, even in the mind of the patentee, to reserve to himself the advantage of an extension in respect to such territory, if an extension should be afterwards obtained.

To the suggestion, that a fraud was practised upon the Government in procuring an extension, if such extension could enure to the benefit of the assignee only, several observations are pertinent. No such effect was given to the procurement of the extension, in the cases cited, as would prevent the assignee taking the benefit of it. If there was any fraud, it does not lie with the patentee or his assigns, to allege his own fraud on the Government, to avoid the effect of his prior assignment. And, finally, the assignment was not of

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the exclusive right for all the territory of the United States, but for a part only. The Court cannot, upon the proofs, certainly know that the patentee had not an interest in extending the patent, in respect of the rights reserved to his brother in the assignment itself.

The objection, that the complainant cannot sue, in equity, for an infringement of the patent, because the defendants have, by their assignment from the patentee, obtained the legal title to the extension, has no foundation. In a Court of equity, an equitable title is sufficient, as against the patentee and those claiming under him with notice of the complainant's rights, and that notice appears by the records of the complainant's title; and the case above first cited tends to show that, in fact, the complainant has the legal title.

If there be any apparent hardship in the condition of the defendants, they have no claim that is not, I think, fully met by one or both of the cases above cited, and no alternative remains but to decree an injunction and account, as prayed in the bill of complaint.

Horace M. Ruggles, for the plaintiff.

Francis Rising, for the defendants.

ALFRED C. COXE AND OTHERS

vs.

NELSON B. HALE AND OTHERS. IN EQUITY.

H. held valid mortgages on land of E., amounting, principal and interest, to more than the value of such land. E. conveyed the land to H., by deed, the wife of E. joining in the deed, the consideration of the conveyance being a sum proved to be the fair value of the land. At that time, H. was a creditor of E. in respect of other matters besides the mortgages, but did not know that E. owed any one but himself, and had no knowledge or suspicion that E. had not property sufficient to pay all that he owed. E., in fact, owed other debts,

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and was insolvent. H. learned this after receiving the deed, and then offered to the other creditors, to give up any priority and share equally with them. After that, and within four months after the giving of such deed, a petition in bankruptcy was filed against E., on which he was adjudged a bankrupt, and an assignee of his estate was appointed. H. then offered to the assignee to reconvey the land, subject to the mortgages. But the assignee brought suit, to compel H. to convey the land to him discharged of the mortgages: *Held*, that H. obtained no preference, by means of the deed; that it would have been no preference, even if H. had known that E. was insolvent; that the value of the land must be charged against the mortgage debt; and that H. must be permitted to prove, against the estate, the balance due on such debt at the date of the deed, with interest thereon.

A creditor, who knows his debtor to be insolvent, may sue him, and proceed to judgment, and take his property, on legal process, in such manner as would operate to give a preference to himself, if carried into full execution, and may then allege these facts as an act of bankruptcy and have the debtor adjudged a bankrupt.

A creditor, who is not aware, until after he levies an execution on the property of his debtor, that the debtor owes other debts, and who, when he learns that fact, offers to the other creditors, to give up his priority and come in on an equal footing with them, and who, after the debtor has been adjudged bankrupt, on the petition of another creditor, because of the levying of such execution, offers to the assignee in bankruptcy to relinquish all priority, and tenders a proof of debt, with a view to share *pro rata* only in the estate, does not forfeit his right to share in the estate.

Bill dismissed, with costs to be paid out of the estate in the hands of the assignee, on the ground that the circumstances were not so clear as to require any imputation on the good faith of the assignee, in prosecuting the suit.

(Before WOODRUFF, J., Northern District of New York, June 18th, 1872.)

WOODRUFF, J. The bill herein is filed to set aside a deed, executed by Eugene Eastman, a bankrupt, to the defendant Hale, his father-in-law, dated January 5th, 1870, (conveying certain real estate upon which the said Hale held three mortgages previously given by Eastman to Hale, and to others who had transferred to Hale,) and to compel Hale to convey the premises to the assignee in bankruptcy, free and clear of the mortgage incumbrances; also, to compel Hale to pay over to the assignee all moneys paid to him by Eastman within six months next preceding the filing of the petition in involuntary bankruptcy, whereon Eastman was adjudged bankrupt; also, to vacate, set aside, and annul certain judg-

ments recovered by Hale, in suits commenced against Eastman on the 14th day of January, 1870, and the executions issued thereon, and the levies made by the sheriff upon certain personal property of Eastman; also, to exclude the said Hale from proving, in bankruptcy, against the estate of Eastman, the mortgage debts, or the said judgment debts, or any other debts whereon such payments were made. The ground upon which this relief is prayed is, that the transactions sought to be impeached were done in fraud of the bankrupt law, and with the intent to secure to the said Hale an illegal preference over other creditors of the bankrupt.

The bankrupt, in the year 1866, married the daughter of the defendant Hale. He was possessed of little means, but had a trade, consisting of some department of carriage making. In 1867, he commenced the business of carriage making, at Oneida, but soon after went to Canastota, and purchased a carriage factory, where he continued to manufacture until January, 1870. His father-in-law advanced him \$500 when he went to Oneida, and afterwards, from time to time, advanced him money for his business, and, in a few instances, endorsed notes for him, which he also paid for him when due. He received a mortgage from him on the carriage manufactory, and took an assignment of other two mortgages, which were on the same premises, when his son-in-law purchased them. The latter met with a small loss of \$200, by fire, at Oneida, but this was not only made up, but largely more than made up, by gifts from the father-in-law, from generosity or out of regard to his daughter, and desire to promote the prosperity of both. For the purchase of the factory, tools, materials and unfinished work, and for the carrying on of the business, the advances of the father-in-law amounted, on the 5th of January, 1870, to a little more than five thousand dollars, besides the mortgages, and exclusive of the gifts before mentioned; and it is a significant fact, bearing on the question of Hale's belief in his son-in-law's solvency, that he endorsed notes for his son-in-law in November and December, 1869, and January 1st, 1870, in the apparent confidence in his solvency, which, in his

testimony, he declares he felt. Hale resided at Norwich, forty or fifty miles from Canastota, and was very rarely at the residence of his son-in-law, and had no acquaintance with the state of his business, except such as was derived from his son-in-law, and the apparent enlargement of his business, for which the advances were made by him. In the summer of 1869, he stated to his son-in-law, that he had advanced more than he could conveniently spare, and desired him to make some repayment; and, on the 9th of July, the son-in-law, having made a sale of cutters, directed the purchaser to pay the price to his father-in-law, which he agreed to do, and subsequently, in August and September, such payment was made, to the amount of \$307. On the 5th of January, 1870, Hale went to Canastota, on a visit to his daughter, not having been there before for upwards of a year. At that time, as he explicitly testifies, he did not know of any indebtedness of his son-in-law, except to himself, and upon obligations endorsed by him, and had no knowledge or suspicion that his son-in-law had not property sufficient to pay all that he owed. While there, his son-in-law gave him a partial statement of his affairs, which showed him to be solvent, and which did not show any other indebtedness, except as above mentioned; and, before he left, his son-in-law, who had expressed a desire to reduce his business and had offered the factory for sale, executed and delivered to him the deed thereof mentioned in the bill of complaint. Hale appears, also, to have been dissatisfied with the use his son-in-law made of one of the notes which had been advanced to him, and, as he says, was desirous of collecting something upon the indebtedness. After he left, and on the 14th of January, 1870, Hale directed suits to be brought for that purpose, and, on the 4th of February, two judgments were recovered by him, by default, for an aggregate of over five thousand dollars, and executions were issued and levy made on the property of his son-in-law, which judgments, executions and levy are mentioned in the bill of complaint. On one of the executions the sheriff made some sales, but was stopped by an injunction out of the District Court, in proceed-

ings in bankruptcy. In fact, Eastman owed other debts, to a considerable amount, and one or more judgments were recovered against him, on confession, and, when this came to the knowledge of Hale, he immediately offered to the creditors to give up his judgments, and any claim of priority under the same, and come in with all creditors, to share the estate equally. But, the judgment creditor proceeded, by petition in the District Court, against Eastman. He was adjudged bankrupt, and the complainants were appointed assignees. Hale, on the demand of the assignees, offered to re-convey the factory, subject to the three mortgages, respecting the *bona fides* and validity of which no question is made. He presented formal proof of his debts for which judgments had been recovered, and offered to relinquish the judgments and any claim of priority or advantage under the same. He had not, in fact, received anything upon the executions, and certain moneys which the sheriff had received were by the sheriff paid to the complainants, as assignees, and the assignees proceeded to sell, and did sell, the tools, materials, carriages and stock in trade, and all the property of the bankrupt not exempt by law. The assignees then bring this suit against Hale, and seek to compel him to pay over to the assignees the \$307 received by him the previous summer, to convey the factory to the assignees freed and discharged of the said mortgages, and to exclude him from any dividend out of the estate, on the mortgage debts or the judgment debts.

The complainants rely, mainly, on the testimony of the bankrupt, and of Hale, the father-in-law, and circumstances disclosed therein, in connection with the facts above enumerated, as showing that the transactions between them were a fraud upon the bankrupt law, because they were, on the part of Hale, with intent to secure a preference over other creditors, when he believed, or had reasonable cause to believe, that his son-in-law was insolvent.

Other than the fact that Eastman was insolvent, within the meaning of the term insolvency, as defined in the law, that is, inability to pay his debts in due course of business,

there is little, if anything, in the proofs, to overcome the positive testimony of both Eastman and Hale on the subject; and the testimony of both is positive and explicit, in denial that Hale, at any time down to his discovery that other creditors had recovered a judgment against Eastman, had any knowledge of such insolvency. And, that Hale intended to secure a preference, or accepted any payment, or conveyance, or judgment, for that purpose, or even with knowledge that they would so operate, is not possible, if it be true that he was not aware that Eastman owed any one but himself. I shall not go into the evidence in detail, but its consideration leads me to these conclusions:

First. The payment, for the cutters sold, made to the defendant Hale, by the direction of Eastman, was received by Hale in due course of business, without any belief of Eastman's insolvency, and without any reasonable cause for such belief. Nor was it paid in contemplation of insolvency, by Eastman, nor paid, nor received, with any intent to give or to receive a preference over other creditors. The \$307, therefore, was lawfully received by Hale, and he was entitled to retain it.

Second. The utmost value set upon the factory and the land whereon it stands, by any witness, is \$3,000. The complainants furnish no evidence whatever that it was worth any more. The principal sums due upon the three mortgages thereon amount to \$2,600, and the unpaid interest at the time of the deed given to Mr. Hale amounted to upwards of \$500, making the mortgage lien over \$3,100, which is more than the mortgaged premises were worth. There is no evidence, nor is there any claim, that that mortgage debt was not due in good faith, free from any impeachment, under the bankrupt law or otherwise, or that the mortgage lien was not perfect, for the amount due. The deed, therefore, gave to Hale, (the father-in-law,) no preference. It could give none. He was entitled, by virtue of his lien, to the whole property already. Even more—the gratuitous release of the inchoate right of dower, by the wife of Eastman, was necessary to make the

property worth the price, \$3,000, at which Hale received it; and, although that right to dower was subordinate to the mortgages, a foreclosure would have been necessary to a compulsory extinguishment of the right. A foreclosure would have involved expense, necessarily reducing the net sum which could be realized on the mortgage-debt. So that, in fact, the conveyance, without foreclosure, operating to release the equity of redemption, so far from resulting in a preference to Hale over other creditors, had the effect of reducing the mortgage-debt to a greater extent than was otherwise possible, and, in that way, tended to the benefit of Eastman and his creditors. If, therefore, Hale had then known that Eastman was insolvent, it would be impossible to say that an acceptance of a conveyance of the equity of redemption, the property being confessedly worth less than the mortgage-debt, could be, or could have been, intended to be a giving, or an acceptance, of a preference over other creditors. Upon such a state of facts, they could derive no benefit from the property, in any event, and the estate of the bankrupt could not be enhanced thereby. The price agreed upon, and at which Hale agreed to take the property, being distinctly proved herein, by the complainants, to be a full and fair price, it should be charged against the mortgage-debt, and the defendant Hale must be permitted to prove against the bankrupt's estate, on account of that debt, only the balance due thereon at the date of the deed, with the interest thereon.

The good faith of the defendant Hale was testified by his response to the demand of the complainant, that he give up the property. He offered to convey it to the assignee, reserving and retaining his original mortgage lien. Upon the proofs, this would have been of no benefit to the estate, and it was declined; and, by the same proofs, it follows, that Hale got no preference by the deed to him. He was only saved the expense of foreclosure. The complainants, or the creditors for whom they act, manifestly thought, that, upon a harsh application of the doctrine of merger of the lien in the legal title, they could succeed in avoiding the deed, as an

illegal preference, and then exclude the defendant from any enforcement of his original mortgage lien, and the mortgage debt from any participation in dividends out of the estate in the hands of the complainants. On the question, whether, had they succeeded in setting aside the deed, it would have followed that the mortgagee must lose his lien, I do not find it necessary to express any opinion.

Third. As to the debts for which the defendant Hale obtained judgments. There is, undoubtedly, room for suspicion, that, before the father-in-law commenced the suits, on the 14th of January, he doubted either the ability or the willingness of his son-in-law to pay what he owed to him. But this is not enough to forfeit his right to share in the estate. A creditor is not compelled to forbear suing his debtor, on pain of losing his right to prove his debt, if he debtor should be adjudged a bankrupt within six months thereafter. Even where the debtor is known to be insolvent, if he has committed no act of bankruptcy, the creditors are not remediless. They are not bound to lie by, instituting no suit, and, as the case may be, see their debtor waste his property. They may sue, and, by proceeding to judgment, compel the debtor himself to apply to be decreed a bankrupt, or, if he do not, but suffers his property to be taken on legal process, in such manner as will operate to give priority or preference even to themselves, if carried into full execution, they may then allege this as an act of bankruptcy, and themselves demand that he be adjudged a bankrupt. It is by no means every recovery of judgment, even against a known insolvent, that amounts to an acceptance of a preference which will bar the proof of the judgment debt. If it were, then, no creditor would be safe in suing his debtor whose solvency he had reason to doubt. He must lie by, wait, in the hope that his debtor will commit some act of bankruptcy, and be remediless until he does so. It is the prosecution with intent to secure a preference, and the using the judgment with that intent, or in such wise that such preference will be the necessary result, which makes the creditor liable to be barred the right to

prove his debt in bankruptcy. True, it has often been properly said, that the creditor must be deemed to intend the necessary result of his acts. But, where the creditor believes himself to be the sole creditor, or where he prosecutes suit, and thereby drives the debtor into an act of bankruptcy, this alone works no prejudice to the estate, and is no acceptance of a preference. To sue, recover judgment, and levy an execution, may often be the only means a creditor has of forcing his debtor into bankruptcy, and of thereby compelling the equal distribution of his property among all creditors, in the very manner the bankrupt law prescribes; and it would be not only absurd, but grossly unjust, to treat this as a forfeiture of the right to share in the estate, and leave the whole to be divided among others less diligent in the endeavor to compel the debtor to do what is just, and what the law makes it his reasonable duty to do without such compulsion.

Notwithstanding the suspicion which is warmly insisted upon by the complainants, the proofs establish, that Hale was not aware, until after his executions were levied, that Eastman owed other debts. If not, then he was not seeking to procure an advantage over other creditors. When he learned that other creditors were pursuing Eastman, he at once offered to give up any apparent advantage gained by his judgments and executions, and come in on an equal footing with others. He went further. Those creditors having compelled Eastman to submit to an adjudication grounded on the very fact that he had suffered his property to be taken on legal process, thus availing themselves of the very act to which Hale, by lawfully prosecuting, had driven the debtor, he went to the assignee and offered to relinquish all claim of priority or advantage under his judgments and executions, and tendered proof of his debts, with a view to share *pro rata* only in the estate. Even if his prosecution had been, from the beginning, with knowledge that Eastman owed others as well as himself, and was wholly insolvent, he had a right to prosecute his suits to judgment and levy. That would have

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created an act of bankruptcy on the part of Eastman. This being so, had Hale thereupon become the petitioning creditor, and himself sought the adjudication, it could not be doubted that he would be entitled to share in the estate. This would not be accepting a preference, nor be doing anything to defeat or prevent the operation of the bankrupt law, but the contrary. Other creditors having, notwithstanding his offer to give up all claim of advantage by reason of such judgments and levy, made the latter the ground of an adjudication, as he might have done, he at once did all that was possible, to show that gaining a preference was not his purpose, as it was not the necessary result of what he had thus far done, namely, by offering to the assignees the surrender of all such advantage or apparent advantage. To hold that, under such circumstances, he forfeited his right to share in the estate, would be to hold, in substance, that no creditor can safely sue his debtor, and recover judgment, and levy his execution, although his debtor has until then committed no act of bankruptcy. He must leave his debtor in the uninterrupted enjoyment of his property, however insolvent he may be, in the hope that, bye and bye, he will commit some other act of bankruptcy, upon which he can be proceeded against in the bankrupt Court. Such is not the meaning, intent, or effect of the bankrupt law. That law does not discourage vigilance nor activity in forcing debtors to appropriate their property to the payment of what they owe. It is when advantage is accepted or obtained, with a view to preference over other creditors, or in circumstances in which such preference is the result of what the creditor does, or attempts to do, that the act becomes a fraud upon the law.

Dealing with this case, as I must, upon the testimony, I must say, that here the defendant Hale has gained no preference over other creditors, has not sought, or attempted to gain, a preference over other creditors, and has not done anything which deprives him of the right to prove his debts, and share with other creditors in the estate of the bankrupt.

The bill of complaint was filed without sufficient cause,

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when the defendant had offered to do all, and even more, than he was bound in equity to do; but the circumstances were not so clear as to require any imputation upon the good faith of the assignees, in the prosecution of this suit. The bill of complaint must, therefore, be dismissed, with costs to be paid out of the estate in the hands of the assignees.

George W. Smith, for the plaintiffs.

Isaac S. Newton, for the defendants.

CHARLES N. BLACK, AS ADMINISTRATOR, &C., OF MOSES THOMPSON, AND ELIZA W. FITZGERALD, AS ADMINISTRATRIX, &C., OF WILLIAM P. N. FITZGERALD

vs.

SAMUEL THORNE, JAMES McFARLANE, AND JONATHAN THORNE, JUNIOR. IN EQUITY.

The reissued letters patent granted to Moses Thompson, March 31st, 1857, for an "improvement in furnaces for burning wet fuel," the original patent having been granted to him, as inventor, April 10th, 1855, and reissued to him October 7th, 1856, and the patent having been extended for seven years from April 10th, 1869, and the letters patent granted to said Thompson, December 15th, 1857, for an "improvement in bagasse furnaces," and extended for seven years from December 15th, 1871, are valid.

The first claim of the reissue of 1857, namely, "Using green bagasse, wet tan, wet sawdust, and other wet carbonaceous or vegetable substances, as fuel, for the production of intense heat, by mingling the gases issuing from a highly heated mass thereof, with those arising from carbonaceous combustion, by the intervention of a flue or chamber, with which the chamber or chambers containing the fire and charge of wet substances communicate, and in which said gases meet, mingle and consume each other, on their way to the apparatus to be heated and to the stack," is a claim to the use of a flue or chamber, intervening between, on the one hand, the chamber or chambers containing the fire of carbonaceous combustion and a highly heated mass of the wet substances named, and, on the other hand, the apparatus to be heated and the

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stack, for the purpose of mingling, in such chamber, the gases issuing from such highly heated mass with the gases arising from the fire of carbonaceous combustion, so that such gases may consume each other in such flue or chamber, and thus intense heat be produced, by the use, for fuel, of such wet substances. As the model and drawings of the reissue are the same as those of the original patent, and show such a mingling or mixing chamber as is claimed in such first claim, and such an arrangement of parts, as, when used according to the directions of the patentee, with the fuel named, will produce the result described in said claim, and as the specification of the original patent gives substantially the same directions for producing such result as are given in the reissue, such claim is valid.

Although, in the reissue, the patentee disclaims the arrangement of a series of fire-chambers to communicate with one common flue, irrespective of the purpose for which, and the manner in which, the arrangement is employed, he can lawfully claim the arrangement which he uses, when used for the purpose for which he employs it, and can lawfully claim it when used in the manner in which he employs it.

The said first claim is for a process carried into effect by an apparatus. The prior apparatus would not have enabled the patentee to work his new process, nor was such process ever worked before in any apparatus.

The second claim of said reissue, namely, "The combustion, for the purposes of a high degree of heat, of bagasse, refuse tan, sawdust, and other wet refuse substance, or very wet and green wood, by the employment of a series of fire-chambers arranged in any manner substantially as described, to communicate with one common flue or mixing chamber, when any number of said chambers are nearly closed to the admission of air, when first charged, as described, whilst the remaining chamber or chambers is in full communication with the mixing chamber, and has a proper supply of air admitted, and the ash-pit of each chamber, in its turn, is nearly closed, and then opened, and has air admitted, whereby the heat required is rendered continuous and comparatively uniform, while the fuel in some of the chambers is being heated and decomposed, and its gases sent forward to the mixing chamber, to any desirable degree, as herein set forth," is a claim for an apparatus when employed to work a process, the apparatus and the process being both of them new with the patentee.

The claims of the letters patent granted to said Thompson, December 15th, 1857, for an "improvement in bagasse furnaces," are for special constructions to work out more effectually the process of burning wet fuel discovered by Thompson and made known in his original patent of 1855, and are valid claims.

The form of apparatus shown by Thompson in his drawings, and described, admits of many formal variations, within the principle of his inventions, and the scope of his claims.

Consideration of constructions which would infringe various claims of Thompson's patents.

Thompson was the first to discover and put in practice the true method of eco-

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nomically burning wet fuels, and obtaining from them better results than from equal quantities of dry fuels.

The point, that a cause of action arose in the Northern District of New York, so as not to be cognizable by the Circuit Court for the Southern District of New York, may be voluntarily waived by a defendant, and is waived where, in a suit in equity, it is not raised in the answer.

(Before BLATCHFORD, J., Southern District of New York, June 19th, 1872.)

BLATCHFORD, J. This suit is brought on two patents. The first is a reissued patent, granted to Moses Thompson, March 31st, 1857, for an "improvement in furnaces for burning wet fuel," the original patent having been granted to him, as inventor, April 10th, 1855, and reissued to him October 7th, 1856. The application for the original patent was filed November 14th, 1853, the specification having been sworn to November 9th, 1853; and a caveat, describing substantially the invention patented, was filed August 12th, 1853. This patent was extended April 8th, 1869, for seven years from April 10th, 1869, by the Commissioner of Patents.

The second patent is one granted to the same Moses Thompson, December 15th, 1857, for an "improvement in bagasse furnaces." The application for this patent was filed May 13th, 1857, a previous application filed on the same model, in February, 1857, having been rejected. On an interference declared between the application of Thompson and a patent granted to A. Hager and S. Allyn, for an "improved bagasse furnace," May 6th, 1856, priority of invention was decided in favor of Thompson, November 30th, 1857. This interference related to what is the second claim in the patent granted to Thompson, December 15th, 1857. This patent was, on the 14th of December, 1871, extended for seven years from the 15th of December, 1871, by the Commissioner of Patents.

The contest between the parties to this suit has been very severe. The suit was brought after the extension of the 1855 patent, and before the extension of the 1857 patent. The extension of the 1857 patent was strenuously opposed by the same parties who have conducted the defence of this suit, and on substantially the same evidence, on the question of the

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novelty of the inventions covered by that patent, which is adduced on the same question in this suit. It appears, from a paper in evidence, that seventeen different persons and firms, including the defendants, representing thirty-eight tanneries, including the three tanneries involved in this suit, have joined together to resist the claim of the plaintiffs under the said patents, agreeing to share, *pro rata*, all legal expenses incurred in defending against said patents. The defence of this suit has been conducted under that arrangement.

The answer sets up, that the 1857 reissue of the 1855 patent was obtained by Thompson for the purpose of further including therein, and did include therein, more than Thompson originally contemplated, specified or showed to be his alleged invention, on the application for his original patent, and matter which he had no right to include and claim therein, and that such reissue is not for the same invention as the original patent of 1855, but is for inventions and things substantially and materially different. It also sets up, that the first claim of such reissue is invalid, because it is indefinite and equivocal, and does not refer to the process specified and described in the language preceding said claim. It avers, that the extension of the 1855 patent was obtained by misrepresentation and fraud, and denies any infringement of either patent. It sets up want of novelty in regard to both patents, and specifies, in respect to each, prior knowledge by nineteen persons, and prior description in eight printed publications, fourteen English patents, and two United States patents. Twenty-six witnesses have been examined on the part of the defendants, and twenty-one on the part of the plaintiffs. Of these, two on each side are chemical experts, Benjamin Silliman and William H. Plumb for the plaintiffs, and Charles F. Chandler and Adolph Faber du Faur for the defendants. The printed case on the part of the plaintiffs covers over six hundred printed pages. That on the part of the defendants covers nearly one thousand printed pages. The direct examination of the plaintiffs' experts occupied six days, and covers sixty-five printed pages, embracing seventy-six interrogatories.

The cross-examination of those experts occupied twenty-five days, and covers two hundred and seventy-two printed pages, embracing six hundred and five interrogatories. The direct examination of the defendants' expert Du Faur occupied six days, and covers fifty-six printed pages, embracing one hundred and fifteen interrogatories. The cross-examination of the same expert occupied seven days, and covers sixty-seven printed pages, embracing three hundred and thirty-one interrogatories. The direct examination of the defendants' expert Chandler covers fifteen printed pages, embracing thirty-two interrogatories. He was not cross-examined. These observations are made for the purpose of showing how thorough has been the investigation of the questions at issue.

The title of the reissued patent of 1857 is, "an improvement in furnaces for burning wet fuel." The specification states the invention to be one of "improvements in burning tan-bark, bagasse, sawdust, and other kinds of fuel, in a wet state, for the purpose of creating heat to generate steam, or to be employed in heating or drying operations." Bagasse is crushed sugar-cane. There are two figures of drawings accompanying the specification. One is a horizontal section of a furnace constructed according to the invention. The other is a vertical section of the same. The specification states, that the main object of the invention is, "to effect the more economical use, for fuel, of tan-bark, bagasse, or other trashy matter, in a wet state, or very green or wet wood." The furnace shown in the drawings has three fire-chambers. The patentee states that he considers three, "in many cases, to be best adapted to practical operation." He proceeds: "In some cases, two may be sufficient, and, in others, more or less. In making these variations as to the number of chambers, the builder is to be guided by the quantity of heat required, size of chambers and character of fuel to be used. The fire-chambers are of a square, but may be of other form, with grate bottoms, B, B', B'', and arched tops, or said tops may be used or built of any other form adapted to the kind of fuel to be used. They are separated by a wall of fire-proof

material, and lined throughout with fire-brick, and, in case of burning wet tan or bagasse, fire-brick grates should be used. Each burning chamber is provided with a door, C, in front, for the purpose of lighting and tending the fire, with an opening, D, at the top, for the purpose of supplying the fuel, and with an opening, E, at the back end of the chamber, which leads to the flue, F, or the mixing chamber. The opening may be provided with a damper, K. Each fire-chamber has a separate ash-pit, G, below it, which is furnished with a door, H, to regulate the admission of air. The flue or mixing chamber, F, extends across the back of all the three fire-chambers, and the chimney may be at one end, or may be placed in the rear, with the flue, I, leading to it from the flue, F. If the furnace is used for generating steam, the best place for the boilers will be in flue, I, which will be made of a proper size to receive and nearly surround it. If used for other purposes, any arrangement may be made best adapted to the application of said heat. The thing to be heated ought to be placed a little above the inside top of the mixing chambers. The current from the mixing chamber, in passing to the place of use, should descend or pass under a bridge to the place of use, equal to about one-half of the depth of the mixing chamber, then rise to the place of use. In case of nearly dry fuel, such as green wood and sawdust, the current should rise, immediately after leaving the burning chamber, through the mixing chamber, to the place of use, and the flue, E, leading out of the fuel chamber, A, into the flue or mixing chamber, F, should be increased to about three-fold capacity of that used for very wet fuels, to be varied in proportion to the wetness or dryness of said fuel. In case of burning sawdust or green or wet wood, the chambers should be about double the grate surface of what is commonly used for burning of wood to accomplish the same object, but for wet tan it should be increased to about four-fold, and, in case of burning bagasse, it should be increased about six-fold, and the height of the chamber increased so that the grate may be covered by feeding at the top. The mode of conducting the operation of

the furnace is as follows: Fires being lighted in all of the fire-chambers, with dry fuel, and the masonry heated to a high degree, two of the three chambers, A, A', are fed with wet fuel, and have their ash-pits closed, and the dampers, K, K, partially closed, though this latter is not absolutely necessary. The other fire-chamber, having its charge partially dry in the meantime, has the damper, K, opened, and the door of the ash-pit, H, opened far enough to admit any quantity of air which may be required to promote such a degree of combustion as may be necessary to generate the amount of heat required. There should be no artificial blast, and, if a high stack be used, there should be a damper in it, to moderate the draft. When the fuel in the open chamber is reduced to a desirable degree, its ash-pit is closed, and the chamber recharged, and another opened and supplied with air, until the fuel within is reduced, when it is closed, recharged and another opened, each, in its turn, being opened and supplied with air, to generate and supply the requisite amount of heat and carbonaceous gases, while the others are closed and successively supplied with fresh fuel, to heat and decompose the same to such a degree as is desirable before allowing rapid combustion to take place. Each fire-chamber should be supplied successively with fuel at proper intervals, by any convenient means, either through the hole, D, or door, C, in front. The principal advantage of a furnace and process of this description consists in heating the wet charge without unnecessary waste of heat, decomposing it into such gases as will, when mingled, in the mixing chamber, with the products of combustion from the active chamber, cause the most perfect combustion of the gases and smoke to be effected. This perfect combustion could not be effected in a single fire-chamber, but, when two or more fire-chambers are employed, no interruption takes place, and the object is readily attained. Another advantage consists in always holding a certain quantity of heat and highly heated fuel in reserve in the closed chambers, which may be immediately brought into action by opening one or more of the chambers.

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A similar but inferior result might be produced by having several grates and ash-pits to the same fire-chamber, each grate charged successively, and its ash-pit for the time closed, immediately after fresh charging, to exclude the air. I have described this in my caveat on which my application is based, but do not use it because of its inferiority in practice, although it involves my principle. After ample experiments, I have discovered that any results which can be produced by the use of dry fuel are inferior to wet, in proportion to quantity used, and that results like mine can only be attained by the use of wet fuel, similar to what I have herein mentioned, fed into an intensely heated chamber. Under such circumstances, the water in the fuel, in the presence of the carbonaceous substances in the furnace, will be decomposed, giving its oxygen to the carbonaceous matter, dispensing with a draft, and its cooling and wasteful influence, and rendering the combustion so perfect that no smoke is visible. In burning tan and sawdust, where a large quantity of heat is to be made, in order to save the increase of their number, I put the chambers in twice as long as wide, and use two openings, D, to feed through, and thereby accomplish double to each chamber." Then follows this disclaimer: "I do not claim the within described arrangement of a series of fire-chambers to communicate with one common flue, irrespective of the purpose for which, and the manner in which, I employ the said arrangement." The claims are these: (1.) "Using green bagasse, wet tan, wet sawdust, and other wet carbonaceous or vegetable substances, as fuel, for the production of intense heat, by mingling the gases issuing from a highly heated mass thereof, with those arising from carbonaceous combustion, by the intervention of a flue or chamber, with which the chamber or chambers containing the fire and charge of wet substances communicate, and in which said gases meet, mingle and consume each other, on their way to the apparatus to be heated and to the stack." (2.) "The combustion, for the purposes of a high degree of heat, of bagasse, refuse tan, sawdust, and other wet refuse substances, or very wet and green wood,

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by the employment of a series of fire-chambers arranged, in any manner substantially as described, to communicate with one common flue or mixing chamber, when any number of said chambers are nearly closed to the admission of air when first charged, as described, whilst the remaining chamber or chambers is in full communication with the mixing chamber, and has a proper supply of air admitted, and the ash-pit of each chamber, in its turn, is nearly closed, and then opened, and has air admitted, whereby the heat required is rendered continuous and comparatively uniform, while the fuel in some of the chambers is being heated and decomposed, and its gases sent forward to the mixing chamber, to any desirable degree, as herein set forth."

It will be proper, in the first place, to consider the objections that are made to the reissued patent of 1857. It is contended, that the first claim of the reissue is void, because the invention claimed in it is not found in the original patent of 1855. That claim is a claim to the use of a flue or chamber, intervening between, on the one hand, the chamber or chambers containing the fire of carbonaceous combustion and a highly heated mass of the wet substances named, and, on the other hand, the apparatus to be heated and the stack, for the purpose of mingling in such chamber the gases issuing from such highly heated mass with the gases arising from the fire of carbonaceous combustion, so that such gases may consume each other in such flue or chamber, and thus intense heat be produced, by the use, for fuel, of such wet substances. The model and drawings of the reissue are the same as of the original patent. Such model and drawings show such a mingling or mixing chamber as is claimed, and show such an arrangement of parts, as, when used according to the directions of the patentee, with the fuel named, will produce the result described in the claim, of mingling and consuming, in such chamber, the gases mentioned, and producing intense heat. The specification of the original patent of 1855 gives substantially the same directions for producing such result as are given in the reissue of 1857. Those directions are, that, tak-

ing the use of three fire-chambers, for illustration, in burning wet fuel, two of the fire-chambers have their ash-pits closed and their dampers partly closed, while the third fire-chamber has its damper open and its ash-pit open, so far as necessary to produce the requisite combustion in that chamber, to produce the degree of heat desired; that when, by such combustion in the open chamber, its fuel is reduced, it is recharged with wet fuel and closed, and one of the above chambers is opened for combustion; that so, in turn, each chamber is opened and supplied with air, to make it a burning chamber and generate carbonaceous gases, and is then supplied with wet fuel and closed, so as to heat and decompose such fuel before admitting air freely to it; that the chambers are thus supplied with wet fuel in succession; that this carrying out of the process by using two or more fire-chambers, with such a construction of apparatus and flues as is shown in the drawings, will effect the most perfect combustion of the gases generated in the chambers, and enable a proper supply of heat to be yielded uninterruptedly; that the use of a single fire-chamber will not produce such a perfect result, nor an uninterrupted supply of heat, although an inferior result, within the principle, may be produced, by using a single fire-chamber, with several grates and ash-pits, and charging the several grates in succession, excluding the air from the charged grate, until the charge is in a condition for rapid combustion; that, by such use of wet fuel, fed into an intensely heated chamber, better results can be obtained than can be from an equal quantity of dry fuel; and that the principle of the operation is, that the products of the carbonaceous combustion in the rapid combustion chamber, being present with the gases arising from the decomposition of the wet fuel in the heating chamber, will decompose the vapor of the water, and cause it to yield up its oxygen, so that a perfect combustion will be produced, without such a draft being used, as had ordinarily been employed for like fuel. All this is disclosed in the specification and drawings of the original patent, and is repeated in the specification of the reissue. The claims of the reissue are both of

them fully warranted by what appears in the specification and drawings of the original patent. The inventor failed to claim, in his original patent, all that his original specification and drawings would have warranted him in then claiming.

It is also objected to the reissued patent of 1857, that, as the patentee disclaims the arrangement of a series of fire-chambers to communicate with a common flue, irrespective of the purpose for which and the manner in which he employs such arrangement, he cannot lawfully claim the arrangement which he uses, when used for the purpose for which he employs it, and cannot lawfully claim it used in the manner in which he employs it. Fire-chambers in a series, communicating with a common flue, existed before. But, the patentee's process was not carried out in any of such prior structures, nor was such common flue used as a mixing chamber in any of them. The first claim of the reissue is for a process carried into effect by an apparatus. The prior apparatus would not have enabled the patentee to work his new process, nor was such new process ever worked before in any apparatus. The second claim of the reissue is for an apparatus when employed to work a process, the apparatus and the process being both of them new with the patentee. It is not perceived how any tenable objection can be taken to the validity of either claim. The disclaimer does not admit that the patentee's arrangement existed before, although he disclaims it irrespective of the purpose and manner of his use of it.

Passing now to the patent of December, 1857, the invention therein is stated, in the specification, to be, "improvements in furnaces for using, as fuel, bagasse, wet tan, and other carbonaceous substances too wet to be conveniently burned in the usual way." Five figures of drawings are given—a front view of the patentee's furnace; a sectional side view, showing the interior thereof, and the charge of wet fuel, &c.; a front sectional view; a horizontal view of the grate; and a sectional perspective view of the interior. The specification says: "The leading object of my invention is, to use, as far as possible, the hot vapors driven out of the wet

mass, while drying, instead of cold common air, to support and complete the combustion of the carbonaceous portions of the wet fuel. Bagasse and other wet fuels might be advantageously burned in one furnace, but results are much more uniform and reliable when two are used, discharging their gases into a common mixing chamber, and I, therefore, prefer to use two or more. The grate surface and the height of the furnace should be regulated according to the kind and wetness of the fuel. The wetter the fuel, the larger the furnace, and the smaller the mixing chamber should be." Then follow directions for the sizes of furnaces for burning bagasse. "For burning refuse tan and sawdust, I think it better to make the furnace longer and narrower, with two fuel openings on the top, and, for a furnace five feet wide and ten feet long, I would make the height, from the bottom of the fire-chamber to the top of the wet fuel chamber, about five feet. The bottom of the grate I would place about two feet above the hearth. But, wet fuels differ so much in character and wetness, that it is impossible to give precise dimensions. The furnace I propose to describe is particularly calculated to consume bagasse. I build two furnaces side by side, each nearly square, in its horizontal section. Towards the top I draw in the wall, in such manner as to form a kind of dome, with a sufficient opening at top to feed the bagasse. The outer walls of these furnaces should be from twenty-four to thirty inches thick, and built with a special view to rendering them non-conducting. The wall near the top, and the partition between the two furnaces, may be thinner. In each furnace chamber there should be a partition of fire-brick, extending across it from front to back, and rising nearly to the top, dividing it into two nearly equal parts. The whole interior of the furnace should be of fire-brick. The main chamber of each furnace should be divided into two parts, upper and lower, by a fire-brick grate about one-fifth the height of the furnace above the hearth, the back end of the grate being a little lower than the front. The bottom of the lower chamber may be a grate with an ash-pit, but a hearth is much better. In

each furnace, at the front, on each side of the central partition, and immediately under the front end of the grate, should be doors for feeding wood or other dry fuel, and, directly under these doors, at the hearth of the lower chamber, should be draft openings, capable of adjustment, to support combustion in the lower chamber. Extending across the back of both furnaces, and opening into both by flues, is a mixing chamber, into which all the gases from both furnaces enter, in a highly heated state, and mix, and consume each other, on their way to the boiler and stack. This chamber should be about one-half the capacity of all the fire-chambers, and it should extend down about as low as the back end of the grate. The flue through which the products of combustion pass out of this chamber, and under the boiler, should be, in section, about one square foot to forty cubic feet of mixing chamber. The feed openings at the top of the furnaces should be closed by doors, which open inward by the weight of the feed, but are self-closing, and do not yield to pressure from within." Then follows a description of up and down corrugations in the interior of each upper chamber, on each side, down to the grate, which are stated to be unnecessary in burning tan and sawdust, and to be "for the purpose of allowing the heat to radiate upwards from the fire-chamber, for heating the masonry and the wet charge, while the gases or vapors driven out of the wet charge, by the heat, are allowed to descend to the fire-chamber or the mixing chamber." "The spaces between the grate bars, for burning bagasse, should be about six inches wide, for the finest grinding, and twenty inches wide for the coarsest, and should vary between these widths according to the fineness of grinding, but, for sawdust and tan, much less, say from one inch to three-quarters of an inch. The grate should be made of fire-brick. The operation of my furnace is as follows: A hot fire of dry fuel is kindled in the lower fire-chambers of the furnaces, and, after it has been continued until the masonry is well heated, the chamber above the grate is fed with the bagasse, or other wet fuel. This hot fire in the fire-chamber, especially towards the front

of it, under the principal mass of the wet fuel, must be preserved throughout the operation. The heat from the masonry and the fire-chamber will be communicated to the wet fuel, which will cause steam and other gases to issue from it, and mix with the intensely hot gases of combustion from the fire-chambers, and, in a short time, the mixing chamber will present intense combustion and heat, the dampers of the fire-chambers being partially closed. The lower part of the wet charge will, by degrees, become dry and charred, and will fall through the grate, prepared as above, into the fire-chamber, and supply, or nearly supply, the place of other dry fuel, in preserving the fire in this chamber, and the wet fuel, being from time to time supplied, will furnish, in a highly heated state, aqueous vapors, which descending through the corrugations, and otherwise, into the fire-chamber and mixing chamber, will be decomposed, furnishing much oxygen to the fire, and supply the oxygen necessary to complete, in the mixing chamber, the combustion of all the combustible gases issuing from the fire-chamber. If, by accident, the fire in the lower part of the furnace should predominate, the draft should be diminished, and more wet fuel added; and if, by accident, the fire in the fire-chamber should become too much cooled down, the draft should be let on, and any deficiency of dry fuel should be supplied to the fire-chamber. Under proper management, little or no dry fuel need be fed to the fire-chamber, after the operation is fairly commenced. The charred matter falling through the open grate will supply its place, and the caloric thus produced by the combustion of wet fuel will be vastly greater than from the same quantity, by measure, of the same fuel, when dry. In the fire-chamber, and in the mixing chamber, under intense heat, the carbonaceous gases will decompose the steam from the wet fuel, and effect complete combustion. When the operation is fairly commenced, if the water in the wet charge amounts to, say, fifty per cent., by weight, of the fuel, the dampers of the fire-chambers should be nearly or quite closed, to exclude the air. Vapor from the wet charge will then descend through the corruga-

tions, and otherwise, into the fire-chambers, and support the combustion therein, while other portions of the vapor will enter the mixing chamber, and complete the combustion there. If the fuel, however, contains much smaller quantities of water, more air in proportion should be admitted at the damper, the object being to admit no more air than will supply the deficiency of the vapor." Then follow written references to the drawings. "Little, if any, of the boiler should extend over the mixing chamber. If any considerable portion of the mixing chamber is covered by the boiler, its cooling influence will prevent the decomposition of the vapor, and defeat the object of my invention. Great care should be observed in giving proper dimensions to the mixing chamber, for, the perfection of the combustion, and the efficiency of the furnace, depend greatly upon it. The principal object of this chamber is to give the combustible carbonaceous gases from the fire, and the aqueous gases from the mass of wet fuel, an opportunity of mingling together in such a manner, and under such circumstances, that the aqueous vapor will be decomposed by the carbonaceous gases, and its oxygen given out, to complete the combustion of the carbon, without the introduction of air into the mixing chamber, thus saving the caloric previously communicated to the wet charge, while drying it and charring its lower portions, and avoiding the cooling influences of cold air. This can take place effectually only in the presence of a high degree of heat, and in the absence of a supply of free oxygen. If that chamber be too small to receive these gases as fast as the furnace is able to produce them, the operation will, of course, be choked and impeded. If the chamber is larger than can be kept densely filled with these gases, of course, atmospheric air will be found there at the commencement, and will continue to find its way into the chamber, and, while atmospheric air is present, the carbonaceous gases will take its oxygen from that principally, instead of decomposing the steam, and the heat in the chamber will be much diminished, and the large quantity of nitrogen, four-fifths, contained in the air, which is

neither a combustible, nor a supporter of combustion, will at once greatly increase the volume of gases to be sent forward to the stack, and proportionably decrease its temperature; and, when the chamber becomes very large, the cooling influences become so great, that combustion will immediately cease, and smoke, mingled with steam, oxygen, and nitrogen, will go forward, thus wasting the fuel, and imparting a faint degree of heat to the boiler. I have, therefore, fixed the size of the mixing chamber by many careful experiments, and that given above will produce the desired effect with wet bagasse. For drier fuel, furnishing less vapor, the mixing chamber should be proportionably increased in size, to supply the deficiency with air, and to effect complete combustion. Rules more precise would be inconsistent with the nature of the subject. A large and hot fire should always be preserved in the fire-chamber below the grate, and directly under the charge of wet fuel, for the purpose of driving the vapor out of it, and charring its lower portion; and the grate is left much more open than in furnaces for burning dry fuel of the same size, for the purpose of allowing the charred portions of the wet charge to fall through, to supply fuel for this fire, as fast as it becomes fit for that purpose, thus consuming the mass with little or no expenditure of other fuel." The claims are: (1.) "The combination of two chambers, the one above the other, and separated by a grate, the lower one for the combustion of any known dry carbonaceous fuel, and the upper one, in immediate proximity therewith, to receive heat therefrom, for heating and drying the charge of wet fuel, with a mixing chamber into which both continuously and simultaneously discharge their gases, before reaching the thing to be heated, for mingling and mutual combustion." (2.) "In combination with said fire-chamber and wet fuel chamber, or drying chamber, making the grate upon which the wet charge rests sufficiently open to allow the lower portion of the wet charge, as it becomes dried and charred, to fall through into the fire-chamber, and keep a hot fire therein, supplying the place of other dry fuel, while the uncharred

portion of the wet fuel is properly supported by the grate, till dried, as described." (3.) "Placing the mixing chamber of combustion in substantially the same position described relatively to the fire and the wet charge, so that the products of combustion from the dry fuel may pass along the lower part of the wet charge, drying and charring it, on their way to the mixing chamber, and reach it without being, in any considerable degree, obstructed or cooled by the wet charge, substantially as shown." It is added: "I wish it distinctly understood, that I make no claim to any of the parts or combinations above specified, except in their application to the preparation and combustion of wet fuels."

The principle developed in the first claim of the reissue of 1857 is worked out in the furnace and method of procedure described in the patent of 1857, but the claims of the two patents are different. The claims of the patent of 1857 are for special constructions to work out more effectually the process of burning wet fuel discovered by Thompson, and made known in his original patent of 1855. The first furnace constructed by Thompson on his principle was built at Richmond, Virginia, in August, 1853, and was then and there used successfully in burning wet tan. In 1854, he built a furnace on this plan, at Weed's tannery at Binghamton, New York. Others were built after its pattern at various places in New York, and the furnaces used by the defendants are traced, in their origin, to the furnace so built at Binghamton. It is very manifest, from the language of Thompson's specifications, and from the testimony, that the form of apparatus shown by Thompson in his drawings and described, admits of many formal variations, within the principle of his inventions and the scope of his claims. Thus, a single furnace, with an upper chamber and a lower chamber, separated by a grate and sufficiently long to admit of two feed holes in the top, with a proper mixing chamber, and operated so as to produce, in such chamber, the mingling and consumption of the gases from the wet fuel in the upper chamber with the gases from carbonaceous combustion, would infringe the first claim of

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the reissue of 1857. Such a construction, with the lower chamber used for the combustion of dry carbonaceous fuel, and so operated as to cause the gases from both chambers to be continuously and simultaneously discharged into the mixing chamber, for mingling and mutual combustion, would infringe the first and third claims of the patent of 1857. A single furnace, with the grate between the upper and lower chambers so open as to allow the lower portion of the wet charge, as dried and charred, to fall through into the lower chamber, and keep a hot fire therein, the uncharred portion of the wet charge being supported by the grate, would infringe the second claim of the patent of 1857. So, also, various constructions of mixing chambers may be made, which would be substantial equivalents for the mixing chamber of the form and location shown by Thompson, and would be the mixing chamber of each of his two claims in the reissue of 1857, and of the first and third claims of his patent of 1857.

It is satisfactorily shown, that the wet tan furnaces of the defendants, in their tanneries at Albion, Laporte, and Thorndale, which are the three proceeded against, infringe each of the patents. All of the claims of each patent are infringed by the furnaces at Albion and Laporte, and all except, perhaps, the second claim of the reissue of 1857, are infringed by the furnace at Thorndale.

The claims of the Thompson patents are none of them successfully attacked on the ground of a want of novelty. There is nothing in the Crockett furnace, or the Morrison furnace, or the Woodstock, Sparrowbush, or Newark furnaces, or any of the other American furnaces adduced in evidence, so far as such furnaces are shown to have existed in construction, or in description or drawings, before the dates of Thompson's inventions, which destroys the novelty of those inventions. So far as such furnaces burned wet fuel successfully, before Thompson's inventions, to what extent they did, they did so on different principles from those developed by him, and in structures arranged and operated in a manner not embraced in his claims. In regard to all the foreign patents

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and publications put in evidence, it is sufficient to say, that they none of them anticipate Thompson's inventions. It is not an unimportant consideration, that both of his patents have been extended by the Patent Office, after, as there is every reason to believe, a full consideration of substantially everything, on the question of novelty, that is brought up in defence in this suit.

It is apparent, from the evidence, that Thompson was the first to discover and put in practice the true method of economically burning wet fuels, and obtaining from them better results than from equal quantities of dry fuels. In respect to the tanning business, tanners can, by his inventions, certainly obtain all the heat they need by the use of no other fuel than their spent tan, wet from the leaches. The combined resistance by them to his patents is a tribute to the merits of his inventions.

I have examined, with care, all the evidence taken in this case, and considered the views advanced by the counsel for the defendants, but I am unable to resist the conclusion that the plaintiffs have fully established their case.

As to the point, that the cause of action respecting the furnace at Albion arose in the Northern District of New York, where that furnace is situated, the objection is one which may be voluntarily waived. The defendants in this case have waived it by not raising it in their answer.

There must be a decree for the plaintiffs, for a perpetual injunction, and an account, with costs.

Charles N. Black, for the plaintiffs.

Clarence A. Seward and *Andrew J. Todd*, for the defendants.

J. LEE SMITH AND OTHERS

vs.

ROBERT REYNOLDS AND SAMUEL JACOBS. IN EQUITY.

Section 77 of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 210,) provides, as a requirement for obtaining a trade-mark, the filing, in the Patent Office, of a declaration, under oath, as to the right to the trade-mark. A certificate by the Commissioner of Patents, of the deposit, for registration, of a trade-mark, of which a copy is given, and of the filing of a statement, of which a copy is annexed to the certificate, (but which statement does not contain any such declaration,) and that the party depositing the trade-mark has otherwise complied with the Act, and that the trade-mark has been registered and recorded, and will remain in force for a period named in the certificate, is not evidence of the filing of such declaration.

(Before BLATCHFORD, J., Southern District of New York, June 20th, 1872.)

BLATCHFORD, J. This bill is founded on a statutory right to a trade-mark, claimed under the provisions of sections 77 to 84 of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 210 to 212.) Section 77 provides, that any firm domiciled in the United States, "and who are entitled to the exclusive use of any lawful trade-mark, or who intend to adopt and use any trade-mark for exclusive use within the United States, may obtain protection for such lawful trade-mark, by complying with the following requirements." One of those requirements is, "the filing," in the Patent Office, "of a declaration, under the oath of * * some member of the firm, to the effect, that the party claiming protection for the trade-mark has a right to the use of the same, and that no other person, firm or corporation has the right to such use, either in the identical form, or having such near resemblance thereto as might be calculated to deceive, and that the description and fac-similes presented for record are true copies of the trade-

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mark sought to be protected." On complying with these requirements, the trade-mark is to remain in force for thirty years from the date of the registration. The bill avers the filing of such declaration. The defendants, in their answer, put in issue this allegation, among others, and require proof of the same. No proof is given that such declaration was filed. A certificate is produced, signed by the Commissioner of Patents and under the seal of the Patent Office, setting forth, that "J. Lee Smith & Co.," of New York, (which is a firm composed of the plaintiffs,) did, on the 30th of December, 1870, deposit in the Patent Office, for registration, "a certain trade-mark for paints, of which a copy is hereto annexed; that they filed therewith the annexed statement, and, having paid into the Treasury of the United States the sum of twenty-five dollars, and otherwise complied with the Act of Congress in such case made and provided, the said trade-mark has been duly registered and recorded in the said Patent Office, and will remain in force for thirty years from the 21st day of February, 1871." The statement annexed to the certificate does not contain any such declaration as that referred to. The declaration is required to be "filed." The only thing certified to have been "filed" is the "annexed statement."

It is urged, that the certificate that the parties have "otherwise complied with the Act of Congress in such case made and provided," and that the trade-mark "will remain in force for thirty years" from the day named, covers the point; and that, in analogy to letters patent for an invention, the certificate is evidence of a compliance with the requisite preliminary steps. But, I do not think this position is a sound one. A patent, being authorized to be granted on evidence on which the Commissioner of Patents is to decide, the fact that he grants the patent is held to be *prima facie* evidence that the proper proofs were laid before him and were satisfactory, he being made, by the statute, the proper judge of the sufficiency and competency of the proofs. (*Phil. & Trenton R. R. Co. v. Stimpson*, 14 *Peters*, 448, 458; *Seymour v. Os-*

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borne, 11 *Wallace*, 516, 540.) But, in respect to a trade-mark, the statute does not authorize the Commissioner of Patents to issue any letters patent therefor, or to issue any certificate containing a grant thereof. The only certificate he is authorized to issue in reference to the original registration of a trade-mark is that provided for by section 80, which enacts as follows: "The time of the receipt of any trade-mark at the Patent Office for registration shall be noted and recorded, and copies of the trade-mark, and of the date of the receipt thereof, and of the statement filed therewith, under the seal of the Patent Office, certified by the Commissioner, shall be evidence in any suit in which such trade-mark shall be brought in controversy." A certified copy of the trade-mark, of the date of its receipt, and of the statement filed therewith, (that is, a copy of everything filed and recorded, and of the memorandum of the date of the receipt thereof,) is made evidence. But, such copy is evidence only that what is shown by it to have been filed was filed. It is not evidence that anything required by the statute to be filed, and not shown by the certificate, or by the statement annexed to it, to have been filed, was filed. The certificate of the Commissioner, that the parties "otherwise complied" with the Act, cannot be substituted for the judgment which a Court must pass as to whether there was a declaration filed, and one under oath, and complying, as to its contents, with the statute. The Court is to judge, from the "statement," whether the requirement of recording "the class of merchandise and the particular description of goods comprised in such class, by which the trade-mark has been or is intended to be appropriated," was complied with, and whether the requirement of recording a description of the mode in which the trade-mark "has been or is intended to be applied and used," was complied with. So, it is equally for the Court to judge whether the requirement as to the filing of the proper declaration was complied with. The general certificate of the Commissioner cannot be taken as evidence on the subject.

The certificate, that the trade-mark has been duly regis-

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tered and recorded in the Patent Office, and will remain in force for thirty years from the day specified, adds no force to the effect of the certificate. The statute says, that the thirty years shall run from the date of the registration, that the time of the receipt for registration shall be recorded, and that the certificate shall cover a copy of the date of the receipt. The date given in the certificate, as the date from which the thirty years is to run, is to be regarded as intended for the date of registration; and the date previously named in the certificate is the date of the receipt for registration. In this view, the certificate intends to show when the trade-mark will expire; and the certificate that it has been registered and recorded, and will remain in force for thirty years from the day named, is only equivalent to saying that such day is to be taken as the date of the registration. The date given in the certificate as the date of deposit for registration is not regarded by the certificate as the date of registration and recording.

On these grounds alone, the motion for an injunction, now made, must be denied, without considering any of the other points raised.

John Hough, for the plaintiffs.

Frederic S. Blount, for the defendants.

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JAMES D. MOWRY, AS TRUSTEE, &C., AND OTHERS

vs.

THE GRAND STREET AND NEWTOWN RAILROAD COMPANY.
IN EQUITY.

T., having made an invention, and applied for letters patent for it, on a specification filed in the Patent Office, assigned to H., in 1852, "all the right, title, and interest whatsoever, which I now have, or, by letters patent, would be entitled to have and possess, in the aforesaid invention, the said invention being described in the specification as prepared and executed by me, or to be prepared and executed by me, for the obtaining of said letters patent, the whole to be held and enjoyed" by H., "to the full extent and manner in which the same would have been, or could be, held and enjoyed by me, had this assignment never been made," and authorized the issue of "the said" patent to H., "as the assignee of my whole right and title to the same, and to the new invention aforesaid." A patent was accordingly granted to H., on the invention, in 1852. In 1854, H. assigned to S. all his interest in any extended term of the patent. In 1866, the patent was extended, to T.: *Held*, that, by the assignment of 1852, no right to the extended term passed to H., and, consequently, S. had no such right.

Whether the claim of the letters patent granted, July 6th, 1852, to Henry Tanner, as assignee of Lafayette F. Thompson and Asahel G. Bachelder, for an "improved mode of operating the brakes of railway cars," namely, "To so combine the brakes of the two trucks with the operative windlasses, or their equivalents, at both ends of the car, by means of the vibrating lever, A', or its equivalent, or mechanism essentially as specified, as to enable the brakeman, by operating either of the windlasses, to simultaneously apply the brakes of both trucks, or bring or force them against their respective wheels, and whether he be at the forward or rear end of the car," is limited to a combination of two or more brake systems, as they are ordinarily found in the swivelling car-trucks of an eight-wheeled car, with each other and with the operative windlasses, by means of a vibrating lever, or whether it covers any combination of the brakes of a car with each other, and with the windlasses, by means of a vibrating lever, so that all the brakes can be applied simultaneously from either end of the car, even where the car has no swivelling trucks with separate brake systems, *quere*.

The latter construction of the claim not having been maintained in any judicial decision, or acquiesced in by the public, and its novelty, on such construction, being shown to be doubtful, an application for a provisional injunction against an arrangement which was no infringement except on such construction, was refused.

(Before BENEDICT, J., Eastern District of New York, June 25th, 1872.)

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BENEDICT, J. This is a motion for a preliminary injunction, to restrain the defendants from using upon their horse-cars a certain brake claimed to be an infringement upon what is known as the Tanner patent, which the plaintiffs are said to own. The motion was brought to a hearing before me on a former occasion, upon the plaintiffs' bill and moving papers alone, the defendants at that time interposing no denial of any of the averments in the plaintiffs' papers. It is now before me upon additional papers on the part of the plaintiffs, and is now opposed by affidavits on the part of the defence.

One question now first presented in the case relates to the title of the plaintiffs. This question having been fully argued by counsel representing, for that purpose, the interest of Mr. Sayles, whose title is the one opposed to that of the plaintiffs, and having been fully considered, may be now disposed of, so far as my action is concerned.

The facts respecting the title to the patent are as follows: Prior to April, 1852, Lafayette F. Thompson and Asahel G. Bachelder had invented "an improved mode of operating the brakes of railway cars." Specifications presented by them were already before the Patent Office, which they were about to amend, and on which they were applying for letters patent. Before any patent was issued to them, they executed an assignment to one Henry Tanner, to whom, in pursuance of the statute, and in accordance with a requirement inserted in the assignment, and upon amended specifications made by Bachelder, and dated April 8th, 1852, a patent for the invention was issued, on the 6th of July, 1852. In March, 1866, Tanner assigned to Bachelder and George O. Way, administrator of Lafayette F. Thompson, deceased, all the right, title, and interest which he then had in and to any extended term of the said letters patent, and, in July, 1866, the patent was extended, and a certificate of extension, dated July 5th, 1866, was issued to Bachelder and Way, from whom the plaintiff derives title. It appears, however, that Tanner, prior to his assignment, of March, 1866, to Bachelder and Way, and on the 13th of July, 1854, had assigned to Thomas Sayles all his

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right, title, and interest in any extended term of the patent, whence it results, that if, by the first assignment of Bachelder and Thompson to Tanner, in April, 1852, the right to the extended term was conveyed to Tanner, that right passed to Sayles by the assignment of July 13th, 1854, and the plaintiffs have no right thereto.

The question therefore is, whether the legal effect of the assignment of April 1st, 1852, from Bachelder and Thompson to Tanner, was to convey the right to the extended term of the patent in question to Tanner. The words of that assignment are as follows: "Whereas, we, Lafayette F. Thompson, of Charlestown, and Asahel G. Bachelder, now or late of Lowell, in the State of Massachusetts, have invented an improved mode of operating the brakes of railway cars, and have applied, *or intend to apply*, for letters patent of the United States of America therefor, now, therefore, this indenture witnesseth, that, for and in consideration of one hundred dollars in hand paid, the receipt whereof is hereby acknowledged, we have assigned and set over, and do hereby assign, sell and set over, to Henry Tanner, of Buffalo, in the State of New York, *all the right, title and interest whatsoever*, which we now have, or, by *letters patent*, would be entitled to have and possess, *in the aforesaid invention*, the said invention being described in the specification as prepared and executed by us, or to be prepared and executed by us, for the obtaining of *said* letters patent, the whole to be held and enjoyed by the said Henry Tanner, and his legal representatives, to the full extent and manner in which the same would have been, or could be, held and enjoyed by us, had this assignment never been made; and we do, by these presents, authorize the Commissioner of Patents to issue the *said* letters patent to the said Henry Tanner, and his legal representatives, as the assignee of *our whole right and title to the same, and to the new invention aforesaid.*"

It is important, in determining the effect of this instrument, to notice, that, whatever else was the subject matter of the contract, it was not a share in the invention, nor a right

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restricted to any particular locality, and, further, that, at the time of its execution, no letters patent had been issued, but the inventors had an application for letters patent for the first term then pending in the Patent Office. At this time, therefore, the property of the inventors in this invention, capable of being the subject matter of such a contract, consisted of an inchoate right to a monopoly of their invention for a term of fourteen years, which right would be completed and secured by the letters patent for which they were then applying, and a further inchoate right to apply for and secure a monopoly for an extension of the term. Between these rights a distinction exists, arising from the fact that an extension of a patent is made dependent upon proofs of new and different facts. It is a new grant, (*Wilson v. Rousseau*, 4 How., 646, 682,) the right to which is capable of being transferred in the same manner as the inchoate right to the monopoly for the first term, by an agreement disclosing such an intention, (*Rail Road Co. v. Trimble*, 10 Wallace, 367,) but, being contingent and personal to the inventor, it cannot be held to pass as an incident to the invention and appurtenant thereto, (*Clum v. Brewer*, 2 Curtis' C. C. R., 506.) In this posture of the law and the facts, the inventors of this improvement sold to Tanner what they described as "all the right, title, and interest whatsoever which we now have, or, by letters patent, would be entitled to have and possess, in the aforesaid invention." In this description, the words, "or, by letters patent, would be entitled to have and possess," as used, are words of limitation, and confine the grant to the right which would have been completed and secured by the letters patent for which the inventors were then applying. Clearly, it was not the intention, by those words, to extend the conveyance to all rights which would be secured by any letters patent whenever issued, and whether extended or not; for, subsequently in the instrument, the letters patent referred to are plainly designated as those for the obtaining of which specifications had been prepared and executed, and which were about to be amended. Extended letters patent are not issued upon specifications in

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that manner, and no other letters patent than those for the first term could be issued upon the pending application. These words, therefore, appear to me intended to limit the conveyance. They indicate that the subject matter of the contract, which was in the minds of the parties, was the monopoly which letters patent issued upon the pending application would secure, and show that the new grant which might be secured by the inventors upon a future application for an extension, but which could not be given upon any proofs then pending, or likely to be then in contemplation, was not intended to be covered by the contract. This conclusion is entirely consistent with the broad words of the habendum clause. The habendum says, "the whole to be held," &c. The whole of what? Manifestly, the whole of the right described in the granting clause, and no more. Moreover, I find, in this instrument, no words which import an intention to transfer both a present and a future interest; and words which imply that two inchoate rights, different in character, were intended to be assigned, are wanting. One such right is clearly described, and there is no allusion to any other.

Furthermore, it is highly improbable that the right to the extension would have been intended to be conveyed, for the reason, that an assignment of the right to the extension would in effect destroy the right, as extensions of patents are issued to inventors only, and are not granted to assignees. It cannot be supposed, that any part of the consideration expressed in this instrument was paid by the assignees for what would be valueless in their hands; and it is equally unlikely that the inventors would part with such a right without consideration. Such an intention, if entertained, it may be believed would have been expressed in clear and distinct language.

Nor do I see that a different conclusion can be arrived at, if the instrument be a conveyance of the whole invention, without words of limitation, in view of the repeated decisions, that a conveyance of the invention merely does not carry the right to the extension. These decisions the late decision of

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the Supreme Court in the case of *The Nicholson Pavement Co. v. Jenkins*, (14 Wallace, 452,) which has been here relied on as declaring a different law, appears to me to confirm. That decision assumes, that an assignment of the invention, without words importing an intention to convey both a present and a future interest, will not pass the right to an extension. Such words being absent from the instrument under consideration, the intention must be considered as absent. It was easy to have inserted such words, but this was not done; and, in view of the right of the inventors personally, in certain contingencies, to apply for and secure an extension, their absence leads to the conclusion, that the parties did not contract with reference to it.

The question raised as to the title of the plaintiffs to letters patent having been thus found in favor of the plaintiffs, I proceed to consider whether the validity of the patent has been so well established by judicial determination, or so generally acquiesced in, as to entitle them to an injunction before a hearing of the cause; and here is met an issue which has been raised in respect to the invention intended to be secured by the letters patent in question. The claim in the patent is as follows: "What is claimed by us is, to so combine the brakes of the two trucks with the operative windlasses, or their equivalents, at both ends of the car, by means of the vibrating lever, A', or its equivalent, or mechanism essentially as specified, as to enable the brakeman, by operating either of the windlasses, to simultaneously apply the brakes of both trucks, or bring or force them against their respective wheels, and whether he be at the forward or rear end of the car." If this claim limits the invention to a combination of two or more brake systems, as they are ordinarily found in the car trucks of an eight-wheeled car, with each other and with the operative windlasses, by means of a vibrating lever, it is manifest that the defendants do not use the plaintiffs' combination, for they do not use cars running upon trucks whose systems are operated in combination with a vibrating lever and the windlasses. They use the ordinary

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four-wheeled horse cars, in which there are no trucks with separate brake systems, and, consequently, no free swivelling action by means of trucks or their equivalents.

The plaintiffs contend, that the patent is not thus limited, but that it covers any combination of the brakes of a car with each other and with the windlasses, by means of a vibrating lever, so that all the brakes can be applied simultaneously from either end of the car, and that the ordinary brake of street cars, such as is used by the defendants, is, therefore, within the scope of the patent, and an infringement. To this position the defendants answer, that, so understood, the patent is void for want of novelty, and has never been sustained by any judicial determination or acquiesced in by the public. I do not find it necessary, upon this motion, to determine whether or not the construction of the patent contended for by the plaintiffs can be maintained. It is sufficient, for this motion, to say, that such a construction of it has not as yet been maintained in any of the suits brought upon this patent, to which the plaintiffs refer. All these suits related to eight-wheeled railroad cars, having two truck systems combined and attached to the windlasses through a vibrating lever. No suit hitherto decided has involved the question which is here presented. The evidence given in those suits related to eight-wheeled truck cars, and the decisions rendered therein cannot be claimed to be judicial determinations in favor of the plaintiffs' patent as here sought to be construed. They appear to be entirely consistent with a construction of the patent in accordance with the views of the defendants, and in accordance with a conclusion that the defendants do not infringe the patent. The issue in this case, as to the validity of the patent, is, therefore, new; and, not only is the novelty of the invention, as now claimed, denied, but a fair doubt in respect to its novelty is raised by affidavits introduced to show a prior use, in the construction of a car, of a combination claimed to be substantially similar to the combination of the plaintiffs, as they now seek to have it construed. It is, also, made clear, that, while the patent, as understood by the

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defendants, and as limited to truck cars, has been acquiesced in by the public, there has been no public acquiescence in the claim now put forth, but the validity of the patent, so construed, has been constantly denied. I must, therefore, in accordance with well-settled rules, and without intimating an opinion as to the proper construction of the patent, refuse an injunction, until after final hearing, upon the ground, that there has been no judicial inquiry into the novelty of the invention now claimed by the plaintiffs, and no public recognition of the validity of the patent, as securing such an invention, but, on the contrary, its validity is in doubt.

Samuel D. Cozzens, for the plaintiffs.

Tracy, Catlin & Van Cott, for the defendants.

JAMES G. TARR AND AUGUSTUS H. WONSON

vs.

H. P. WEBB. IN EQUITY.

The claim of the reissued letters patent, No. 4,598, division A, granted October 17th, 1871, to James G. Tarr and Augustus H. Wonson, for an "improvement in paint for ships' bottoms," the original patent having been granted to them November 3d, 1863, and reissued August 6th, 1867, and again reissued in two divisions, October 17th, 1871, namely: "A paint, consisting of oxide of copper, with a suitable vehicle or medium, substantially as described," read in the light of the specification attached, seeks to secure any mixture capable of being applied as a paint, in which oxide of copper is an ingredient, and, so understood, is invalid.

The poisonous effect of oxide of copper was known, and the protection of surfaces by applying compounds to them was known.

A monopoly of the use of a well-known substance, in a particular but well-known form, cannot be secured.

The subject matter of the patent, even if patentable, was not new.

In the reissue, under § 53 of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 205,) of a chemical patent, it is necessary to its validity, that the subject matter of it should be found described in the original patent.

(Before BENEDICT, J., Eastern District of New York, July 20th, 1872.)

THIS was a motion for provisional injunction, to restrain the infringement of reissued letters patent No. 4,598, division A, granted October 17th, 1871, to James G. Tarr and Augustus H. Wonson, for an "improvement in paints for ships' bottoms," the original patent having been granted to them November 3d, 1863, and reissued August 6th, 1867, and again reissued, in two divisions, October 17th, 1871. The specification said: "The object of our invention is to prevent the fouling of the bottoms of ships by the adhesion of barnacles, sea-weeds and other substances; and this we effect by means of our improved paint or composition, which is applied to the hull of the vessel, with a brush, in the ordinary manner." It then described the mode of making the paint, the ingredients, and their quantities. The ingredients were Stockholm tar, benzine or naphtha, and pulverized, dry oxide of copper. It said: "We prefer to employ the oxide of copper made from the pyritous, friable ores, because, besides being easily reduced to fine powder, these contain mineral and earthy substances, such as various other metallic oxides, sulphur, &c., which serve to divide the particles of oxide of copper, interspersing between them substances which dissolve more slowly than they do, or which do not dissolve at all, it being desirable, for the sake of economy, that the solution should be less rapid than would take place with a pure oxide of copper, and yet sufficient to give the necessary protection to the bottom. * * * All that is desired is, that there should be a proper base, such as these earthy or mineral matters furnish, to retard the solution of oxide of copper, and give durability to the paint. Such a base, however, although desirable, in our judgment, and, as such, claimed as an element in the composition of paint which we have patented in another reissue taken at the same time with this one, is not indispensable; and, therefore,

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in this present specification, we do not intend to limit ourselves to its use, for a good paint may be made by the use of oxide of copper alone, with the vehicle herein described, the oxide of copper, which yields a poisonous solution in water, furnishing the necessary protection against animal and vegetable growth. * * * The proportions of tar and benzine above described are specified simply as, in our judgment, the most suitable, and they may be greatly varied according to the kind and quality of the tar employed, as they are designed merely for a vehicle or medium. In place of the naphtha or benzine, any known diluent may be employed. The result of mixing should be the production of a vehicle of about the consistency of linseed oil." The claim was this: "A paint, consisting of oxide of copper, with a suitable vehicle or medium, substantially as described."

Miles B. Andrus, for the plaintiffs.

Whitney & Betts, for the defendant.

BENEDICT, J. The claim of the patent, read in the light of the specification attached, seeks to secure to the patentees any mixture capable of being applied as a paint, in which oxide of copper is an ingredient. The patent is not for a process, but for a compound which the patentees claim as their own discovery. In this compound, two elements, and no others, are described as essential. There must be oxide of copper in the compound, and there must be a vehicle which will permit it to be applied to surfaces, after the manner of applying paints. It is not pretended that any new property of oxide of copper is developed, or brought into action, by this manner of using it, nor does the compound itself produce any effect not before known. All the benefit derived from the use of the compound arises from the poisonous effect of oxide of copper—an effect long well known. So understood, the patent is invalid. It discloses no discovery to be rewarded. Oxide of copper, and its poisonous effects, have long

been known. Compounds capable of being applied to surfaces, in order to protect the same, are in universal use; and there was nothing new in the idea that oxide of copper could in this way be applied to surfaces.

The effort of the patentees have been, to secure the sole right to use oxide of copper in any form which renders it capable of being applied to surfaces after the manner of applying paint. A monopoly of the use of a well known substance, in a particular but well known form, cannot be thus secured. Strychnine will poison dogs, and some one may yet discover that it can also be used to poison the worms of the sea; but that will not entitle the discoverer to an exclusive property in all mixtures which contain strychnine, and are capable of being spread on surfaces.

Furthermore, it appears, that, in 1849, prior to the plaintiffs' patent, Dr. Ure gave, in his Dictionary, a description of a metallic pigment, to be made with pure oxide of copper, which description would enable any one skilled in the art to make a compound similar, in all respects, to, and having the same qualities as, the compound described in this patent. This being so, the subject matter of this reissue, if it be patentable, cannot be secured to the plaintiffs, because it is not new.

A further objection taken to this reissue is, that the subject matter of it is not to be found in the original patent. To this one answer made is, that, under the Patent Act of 1870, it is not necessary, in the case of a chemical invention, that the subject matter of the reissue should be found described in the original patent; that it is sufficient if proof be made that the subject matter of the reissue was, in fact, part of the original invention; and that the grant of the reissue is decisive that proof was furnished. My opinion upon other branches of the case having been expressed, I deem it unnecessary to notice this objection to the patent in question, further than to say, that I am of the opinion that no such effect can be given to the Act of 1870 as the plaintiffs claim, but that, in the case of a chemical patent reissued, it is necessary to its

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validity, that the subject matter be found described in the original patent.

The motion for an injunction is denied.

J. LEE SMITH AND OTHERS, COMPOSING THE FIRM OF
J. LEE SMITH & Co.

vs.

ROBERT REYNOLDS AND SAMUEL JACOBS. IN EQUITY.

The firm of J. & Co., in registering a trade-mark for paints in the Patent Office, under sections 77, &c., of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 210,) recorded, as the names of the parties desiring the protection of the trade-mark, and their residences and places of business, "J. & Co., of No. 276 Pearl Street, in the city of New York, county and State of New York, and engaged in the manufacture and sale of paints at said New York," and nothing further: *Held*, that it was not necessary to record the name of each of the individual partners of the firm, and his place of residence, and that the residence and place of business of the firm, as the party desiring the protection, were sufficiently stated.

The Act requiring that "the class of merchandise, and the particular description of goods comprised in such class, by which the trade-mark has been or is intended to be appropriated," shall be recorded, it is sufficient, where a trade-mark is claimed for paints generally, merely to specify paints as the class of merchandise, without specifying any description of paints,

The illustration of a crown, applied as a brand, by stencil plate or die, to vessels containing paints, or printed on labels or wrappers applied to such vessels, or on notices advertising such paints, may be a lawful trade-mark, under said Act, because, when used in connection with paints, it may designate, by association in the minds of purchasers of and dealers in paints, the origin or ownership of such paints, as being in a particular manufacturer.

The illustration of a crown being claimed by J. & Co., as a trade-mark for paints generally, under said Act, and it being alleged that R. had infringed such right, and it appearing that a brand of a crown had been used by B., for white lead alone, of a particular quality and description, made by him continuously, from a period prior to the use, and to the registration, of such brand as a trade-mark by J. & Co., and until R. purchased from B. his paints, materials and labels, and the right to use them, including the labels embodying

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the device of a crown, and that R., from the time of his purchase, which was prior to such registration, had continuously used the device of a crown on some description of paints: *Held*, that, at the time of registering the trade-mark, J. & Co. had no right to the use of it for paints generally, because R. then had a right to use it for the class of paints for which B., as well as R., had previously used it.

A registration, under the Act, must stand or fall, as a whole, for that to which the registration declares it is intended to appropriate it, there being no provision for maintaining a suit on it, where the grant is valid as to a part, but not as to the whole.

(Before BLATCHFORD, J., Southern District of New York, July 27th, 1872.)

BLATCHFORD, J. The 77th section of the Act of July 8th 1870, (16 *U. S. Stat. at Large*, 210,) provides, "that any person or firm domiciled in the United States, * * * and who are entitled to the exclusive use of any lawful trade-mark, or who intend to adopt and use any trade-mark for exclusive use within the United States, may obtain protection for such lawful trade-mark, by complying with the following requirements, to wit; First. By causing to be recorded in the Patent Office the names of the parties, and their residences, and place of business, who desire the protection of the trade-mark. Second. The class of merchandise, and the particular description of goods comprised in such class, by which the trade-mark has been or is intended to be appropriated. Third. A description of the trade-mark itself, with fac-similes thereof, and the mode in which it has been or is intended to be applied and used. Fourth. The length of time, if any, during which the trade-mark has been used. Fifth. The payment of a fee of twenty-five dollars, in the same manner and for the same purpose as the fee required for patents. Sixth. The compliance with such regulations as may be prescribed by the Commissioner of Patents. Seventh. The filing of a declaration, under the oath of the person, or of some member of the firm, * * * to the effect, that the party claiming protection for the trade-mark has the right to the use of the same, and that no other person, firm or corporation has the right to such use, either in the identical form, or having such near resemblance thereto as might be calculated to deceive, and that

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the description and fac-similes presented for record are true copies of the trade-mark sought to be protected." By section 78, such trade-mark is to remain in force for thirty years from the date of such registration; "and, during the period that it remains in force, it shall entitle the person, firm or corporation registering the same to the exclusive use thereof, so far as regards the description of goods to which it is appropriated in the statement filed under oath as aforesaid, and no other person shall lawfully use the same trade-mark, or substantially the same, or so nearly resembling it as to be calculated to deceive, upon substantially the same description of goods." Section 79 provides, that, if any person or corporation "shall reproduce, counterfeit, copy or imitate any such recorded trade-mark, and affix the same to goods of substantially the same descriptive properties and qualities as those referred to in the registration," the party aggrieved shall "have his remedy according to the course of equity, to enjoin the wrongful use of his trade-mark, and to recover compensation therefor, in any Court having jurisdiction over the person guilty of such wrongful use;" and that "the Commissioner of Patents shall not receive and record any proposed trade-mark which is not and cannot become a lawful trade-mark, * * * or which is identical with a trade-mark appropriate to the same class of merchandise, and belonging to a different owner, and already registered or received for registration, or which so nearly resembles such last mentioned trade-mark as to be likely to deceive the public."

On the 30th of December, 1870, the firm of J. Lee Smith & Co. filed in the Patent Office a petition, signed by themselves, in which they are described as of "No. 276 Pearl Street, in the city of New York, county and State of New York, and engaged in the manufacture and sale of paints at said New York," and in which they represent, "that they have used for fifteen months last past, are now using, and have the right to use, a trade-mark for said paints, which is correctly represented and set forth in the annexed fac-simile and statement," and pray "that said trade-mark may be registered and

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recorded in the Patent Office according to law." The "statement" thus referred to was in these words: "To all whom it may concern: Be it known, that we, J. Lee Smith & Co. of the city of New York, in the county and State of New York, use a trade-mark for paints, of which the following, together with the fac-simile hereto attached, is a correct description. The said trade-mark consists of the illustration of a crown, as is clearly shown in the fac-simile. The crown may be of the shape and style shown, or of any other suitable form. It is applied as a brand, by stencil plate or die, to the casks, cases, or vessels containing the said paint, printed upon labels or wrappers which are applied to said cases or vessels, or upon the business cards, notices or placards advertising the paints to the public." Accompanying these papers was an oath, made by a person described therein as "a member of the firm of J. Lee Smith & Co., and representing the firm of J. Lee Smith & Co., the above named petitioner," and setting forth, "that, according to the best of his knowledge and belief, the description and fac-simile herewith presented for record are true copies of the trade-mark sought to be protected, that they have a right to the use of the said trade-mark, and that no other person, firm or corporation has the right to such use, either in the identical form or having such near resemblance thereto as might be calculated to deceive." The Patent Office required the applicants to strike out from the "statement" these words: "The crown may be of the shape and style shown, or of any other suitable form;" and they were stricken out by them. As thus amended, the trade-mark was registered on the 21st of February, 1871. Thereupon, under that date, the Patent Office issued a certificate, certifying, that "that J. Lee Smith & Co. of New York, New York, did, on the thirtieth day of December, 1870, deposit in the United States Patent Office, for registration, a certain trade-mark for paints, whereof a copy is hereto annexed, that they filed therewith the annexed statement, and, having paid into the Treasury of the United States the sum of twenty-five dollars, and otherwise complied with the Act of Congress in such case made and provided,

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the said trade-mark has been duly registered and recorded in the said Patent Office, and will remain in force for thirty years from the twenty-first day of February, one thousand eight hundred and seventy-one." The "statement" and facsimile are annexed to the certificate. The fac-simile shows one drawing of a crown.

The bill in this case is founded upon the statutory right thus claimed to have been acquired to such trade-mark, and is filed by the members of the said firm of J. Lee Smith & Co., and alleges, that the defendants are selling paint contained in casks, cases or vessels, upon which said trade-mark, or an imitation thereof, bearing such near resemblance thereto as is calculated to deceive, is applied as a brand, by stencil plate or die, or by labels or wrappers upon which said trade-mark, or said imitation thereof, has been printed, and have also used the said trade-mark, or said imitation thereof, upon the business cards, notices and placards advertising the defendants' paints to the public. The plaintiffs move for an injunction to restrain such use of such trade-mark. Full proofs have been taken for final hearing, on both sides, and on them the motion is made.

It is objected to the validity of the registration in this case, that the names of the parties and their residences and places of business were not caused to be recorded in the Patent Office by the parties desiring the protection of the trade-mark. It is insisted, that the name of each of the individual partners composing the firm, and his place of residence, should have been set forth. But, it is to be noted, that the statute gives the privilege to any "firm domiciled in the United States," as well as to any person domiciled therein. In this view, in the case of a firm, it is sufficient if the name of the firm is given, provided the trade-mark is claimed by the firm, as a firm. Giving the name of the firm is giving the name of the party desiring the protection. The statute requires the declaration, under the oath of some member of the firm, to be to the effect, that "the party claiming protection," that is, the firm, has a right to the use of the same, &c. So, also, setting

forth that the firm is "of No. 276 Pearl street, in the city of New York, county and State of New York, and engaged in the manufacture and sale of paints at said New York," is a sufficient statement of the residence and place of business of the firm, as the party desiring the protection.

It is also objected, that, although the registration papers specify "paints" as the class of merchandise, yet there is no designation of the particular description of goods comprised in such class, to which the trade-mark is or is to be appropriated. But the parties describe themselves as engaged in the manufacture and sale of paints generally, and it is a trade-mark for paints generally which they state they use and have a right to use, and desire to have protected. They cover the whole class of merchandise called "paints," and every description of goods comprised in such class. That being clearly stated by them, any further specification was unnecessary.

It is insisted, by the defendants, that the illustration of a crown, applied as set forth in the "statement," is not the subject of a lawful trade-mark, because it does not indicate the true origin or ownership of the paint. The statute protects only that which is or can become a lawful trade-mark. It declares, that the mere name of a person, firm or corporation cannot be a lawful trade-mark, but that such name, accompanied by a mark sufficient to distinguish it from the same name when used by other persons, may be a lawful trade-mark. *A fortiori*, a mark or device distinguishable from other marks, when used in connection with a particular article, may designate, by association in the minds of purchasers of and dealers in such article, the origin or ownership of such article, as being in a particular manufacturer, and thus be a lawful trade-mark. (*Delaware & Hudson Canal Co. v. Clark*, 13 Wallace, 311.) The practice of the Patent Office, in registering trade-marks, under the Act of 1870, has been in accordance with this view, and properly so. It has, on discussion, authorized, as lawful trade-marks, the letter X, applied to brooms, and the letter D, encompassed by the figure of a lozenge, applied to loom temples. (*Com's Decisions*, 1870,

p. 142, and 1871, p. 248.) In the case of *Morrison v. Case*, (9 *Blatchf. C. C. R.*, 548,) it was held, that, under the Act of 1870, the words, "The star shirt," and those words with the device of a six-pointed star used in connection therewith, and the device and words, "The * shirt," used as a trade-mark in connection with the manufacture and sale of men's and boys' shirts, and taken by dealers as designating the shirts made by a particular manufacturer, are a lawful trade-mark. There can be no doubt, that a simple illustration of a crown, to be applied in use as designated in this case, in connection with paints, to indicate their origin and ownership, is a lawful trade-mark, under the statute.

The principal defence set up in the answer of the defendants is, that, in October, 1868, the Bridgewater Paint and Color Works Company, then doing business in the city of New York, made a label, brand or trade-mark of a crown, which was used for white lead alone, of a particular quality and description, manufactured by said company for J. J. Vogt & Co., of Cleveland, Ohio, the same being an imprint on paper, consisting of the words, "Golden Crown," with the illustration of a crown underneath them, and, underneath the crown, an illustration of a heraldic coat of arms, and, on the left of the coat of arms, the words, "manufactured expressly for J. J. Vogt & Co.," and, on the right of the coat of arms, the words, "No. 32 Public Square, Cleveland, Ohio," and, underneath the whole, the words, "White Lead;" that the said company, of which the defendant Reynolds was one of the copartners, having been dissolved, its business in the manufacture of paints was continued by the defendant Reynolds and one Jacob Israel, under the name of Reynolds & Co., and the same quality of white lead was continued to be manufactured by them, and was distinguished by a brand, label or die, consisting of an inner circle, within which, at the top, was the illustration of a crown, and underneath that the letters "XX," and underneath those letters the words, "Reynolds & Co.," and outside of such circle a second circle, and in the ring between the two circles, the words, circumferentially, "Pure English White Lead;" that, the copartnership

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of Reynolds & Co. having expired January 1st, 1872, the defendants, under the firm of Reynolds & Jacobs, continue the manufacture of the same quality of white lead, using the same brand, die or label which had been used by Reynolds & Co. since February, 1870, as a trade-mark; and that, in February, 1870, the defendant Reynolds procured the brand to be made of such trade-mark for Reynolds & Co., which they and the defendants have ever since constantly and uninterruptedly used, to designate a particular quality of white lead manufactured by them.

The defendants have used the illustration of a crown, as a device, and as part of a brand or label, on packages containing white lead ground in oil, and on packages containing *blanc de zinc*, or zinc ground in oil. Although the device of a crown was adopted and used by the defendant Reynolds, in the shape in which the defendants now use it, in February, 1870, and the plaintiffs did not file their first statutory papers in the Patent Office until December, 1870, yet the plaintiffs show that they adopted and used their device of a crown as early as December, 1869. In reply to this, the defendants show the use, by the Bridgewater Paint and Color Works Company, in 1868, and from that time until its dissolution, of the device of a crown on three different forms of label, put upon packages containing paints made by them. One is the form hereinbefore referred to as set forth in the answer. Another contained the simple device of a crown, and the words, "Pure English White Lead, J. J. V. & Co." The other contained an illustration of a heraldic coat of arms, resembling very much the coat of arms of the Crown of Great Britain, embodying the device of a crown as an integral part of it, and the words, "Pure English White Lead, ground expressly for J. J. Vogt & Co., 32 Public Square, Cleveland, Ohio." They also show, that, in November, 1869, the defendant Reynolds purchased from the Bridgewater Paint and Color Works Company, their paints, materials and labels, and the right to use them, including the labels embodying the device of a crown. The defendant Reynolds has, since that time, continuously, in his firms, used the device of a crown

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on some description of paints. The brand or label of the form used by the defendant Reynolds, in his firms, since February, 1870, is as near a resemblance to one at least of the three forms of label used by the Bridgewater Paint and Color Works Company, as it is to the device shown in the plaintiffs' registration, and the latter is as near a resemblance to such Bridgewater label as it is to the brand or label of the defendants. It is manifest, therefore, that the plaintiffs had, at the time they registered the illustration of a crown as a trade-mark for paints generally, no right to the broad use of it for paints generally, the defendant Reynolds and his then firm having the right to the use of it for, at least, the classes of paints for which it had been used as a label or trade-mark by the Bridgewater Paint and Color Works Company, and by the defendant Reynolds, and his firm of Reynolds & Co., prior to the time of such registration. The plaintiffs registered it, and claimed the right to use it, as a trade-mark for paints generally, for all descriptions of paints, without reservation or exception. Whatever grant there is of it, by reason of the registration made by the plaintiffs, is of the right to use it for paints of all kinds—for the class of merchandise called "paints." The plaintiffs have not restricted themselves to any particular descriptions of goods comprised in such class. Their registration must stand or fall as a whole, for that to which they declare, in their registration, they intend to appropriate it. There is no provision in regard to trade-marks, such as there has been and is in regard to patents for inventions, that a suit may be maintained where the grant is valid as to a part, but not as to the whole. It follows, therefore, that the registration of this trade-mark, in the form in which it was made, conferred no right on the plaintiffs, in respect to any thing purporting to be covered by it.

The motion for an injunction must, for these reasons, be denied.

John Hough, for the plaintiffs.

Frederic S. Blount, for the defendants.

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THE UNION PAPER COLLAR COMPANY.

vs.

ISAAC VAN DEUSEN AND OTHERS. IN EQUITY.

The reissued letters patent No. 1,828, granted to William E. Lockwood, as assignee, November 29th, 1864, for an "improvement in shirt collars," the original patent, No. 11,376, having been granted to Walter Hunt, as inventor, July 25th, 1854, the claim thereof being, "As a new manufacture, a shirt collar composed of paper and muslin, or its equivalent, and polished or bur-nished substantially as and for the purpose described," are not invalid, as being for an invention different from that described in the original patent.

Under the language of the specification of the original patent, such claim would have been a proper claim in such patent. It is, therefore, a proper and valid claim in the reissue.

The reissued letters patent No. 1,980, granted to William E. Lockwood, as inventor, June 6th, 1865, for "improvements in collars," the claim thereof being, "As a new article of manufacture, an embossed collar or cuff, made of a fabric composed of paper and muslin, or an equivalent fabric," and reissued letters patent No. 1,981, granted to said Lockwood, as inventor, June 6th, 1865, for "improvements in collars," the claim thereof being, "As a new article of manufacture, an ornamental collar or cuff, made of a fabric composed of paper and muslin, or of an equivalent fabric, ornamented by printing or otherwise marking on the surface plain or colored devices," the original patent, No. 23,771, having been granted to said Lockwood, April 26th, 1859, are both of them invalid.

No. 1,980 does not claim any appliance or machinery for embossing, or any process of embossing, but only the result, in the embossed article, as a new article of manufacture; and is merely for embossing on a surface which imitates starched linen, the starched linen collar, with its surface embossed, having existed before, the invention of the imitative surface, or of a means of producing it, not being claimed, and the fabric of paper and muslin being old.

There was no patentable novelty in the idea of embossing the imitative surface.

No. 1,981 does not claim any machinery or process for doing the printing, but only the result, in the printed article, as a new article of manufacture; and is merely for printing plain or colored devices on a surface which imitates starched linen, printing having been done before on a smooth, white, enamelled surface, the invention of an imitative surface, or of the means of producing it, not being claimed, and the fabric to be printed upon being old.

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There was no patentable novelty in the idea of printing on the imitative surface. The first claim of the reissued letters patent No. 1,646, granted to Solomon S. Gray, as inventor, March 29th, 1864, for an "improvement in shirt collars," the original patent, No. 38,961, having been granted to him June 23d, 1863, namely, "The turning over of a paper, or of a paper and cloth, collar, by a defined line, whether pressed into the material by a die or pointed instrument, or by bending it over the edge of a pattern or block, of the proper curve or line, substantially as described," claims a defined line, whether straight or curved, made by the means indicated, and is void, for want of novelty.

The second claim of the said Gray reissue, namely, "Turning the part B, of a paper, or a paper and cloth, collar, over, on to or towards the part A, in a curved or angular line, instead of a straight line, substantially as and for the purpose described," embraces the third claim, namely, "So turning over the part B, on to or towards the part A, in the manner above described, as that a space shall be left between the two parts, for the purpose, and substantially in the manner, herein described," and is void for want of novelty, as is, also, the third claim.

The reissued letters patent, No. 2,309, granted to James A. Woodbury, as assignee, July 10th, 1866, for an "improvement in paper shirt collars," the original patent, No. 38,664, having been granted to Andrew A. Evans, as inventor, May 26th, 1863, the claim thereof being, "A collar made of long fibre paper, substantially such as is above described," are void.

The invention claimed is not the process of making a paper possessing the qualities indicated, but the making of collars out of such a paper.

Whatever invention there was to be made in the premises, was an invention of the paper possessing the described properties; and the inventor of the paper is he who invents the process of producing the paper.

Evans did not invent such process, and was not entitled to a patent for the paper, or for the collar to be made from it.

The first claim of letters patent, No. 56,737, granted to James A. Woodbury, as assignee of Andrew A. Evans, as inventor, July 31st, 1866, for an "improvement in paper cuffs or wristbands," namely, "As a new article of manufacture, a wristband or cuff, made of long fibre paper, substantially such as is above described," is void, for the same reasons for which the claim of the said reissue No. 2,309 is void.

The second claim of the said patent No. 56,737, namely, "Making said wristband or cuff reversible, substantially as and for the purpose described," was new and patentable.

(Before BLATCHFORD, J., Southern District of New York, August 27th, 1872.)

BLATCHFORD, J. The bill in this case is brought by the Union Paper Collar Company, a corporation, against Isaac Van Deusen and others, composing the copartnership of Van Deusen, Boehmer & Co. It alleges the infringement by

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the defendants of the following letters patent owned by the plaintiffs: Reissued patent No. 1,646, granted to Solomon S. Gray, as inventor, March 29th, 1864, for an "improvement in shirt collars," the original patent, No. 38,961, having been granted to him June 23d, 1863; reissued patent No. 1828, granted to William E. Lockwood, as assignee, November 29th, 1864, for "an improvement in shirt collars," the original patent, No. 11,376, having been granted to Walter Hunt, as inventor, July 25th, 1854; reissued patent No. 1,867, granted to said Lockwood, as assignee, February 7th, 1865, for an "improvement in shirt collars," the original patent being the one of July 25th, 1854, above mentioned; reissued patent No. 1,926, granted to said Lockwood, as assignee, April 4th, 1865, for an "improvement in shirt collars," the original patent being the one of July 25th, 1854, above mentioned; reissued patent No. 2,306, granted to the plaintiffs, as assignees, July 10th, 1866, for an "improvement in shirt collars," the original patent being the one of July 25th, 1854, above mentioned, and a reissue thereof, No. 1,927, having been granted to said Lockwood, April 4th, 1865; reissued patent No. 2,309, granted to James A. Woodbury, as assignee, July 10th, 1866, for an "improvement in paper shirt collars," the original patent, No. 38,664, having been granted to Andrew A. Evans, as inventor, May 26th, 1863; patent No. 56,737, granted to said Woodbury, as assignee of said Evans, as inventor, July 31st, 1866, for an "improvement in paper cuffs or wrist bands;" and reissued patent, No. 1,930, and reissued patent, No. 1,981, granted to said Lockwood, as inventor, June 6th, 1865, each for "improvements in collars," the original patent, No. 23, 771, having been granted to him April 26th, 1859. The defendants admit, by a written stipulation, that they have infringed each and all of the said patents set forth in the said bill, "by making, using and selling to others to be used the things therein respectively described and claimed as new." The contest is as to the validity of the patents.

At the hearing, all claim on the part of the plaintiffs in

respect of reissues Nos. 1,867, 1,926, and 2,306, of the Hunt patent, was abandoned.

In regard to reissue No. 1,828, of the Hunt patent, it is contended, by the defendants, that that reissue is for an invention different from that described, or intended to be described, in the original patent. The claim of the reissue is this: "As a new manufacture, a shirt collar composed of paper and muslin, or its equivalent, and polished or burnished substantially as and for the purpose described." The claim of the original patent was: "The above described shirt collar, made of the fabric set forth, and polished and varnished in the manner and for the purpose specified." The original specification describes the shirt collar as made of muslin, coated on both sides with paper made to adhere to it by sizing, the fabric being then polished by a burnisher, or otherwise, the collar being then cut out, and being afterwards varnished with a transparent, colorless, waterproof varnish. The specification states the object of the varnish to be, to protect the collar from the effects of moisture, and to preserve it for a much longer time from being soiled. It says, that the invention consists "in making the collars of a fabric composed of both paper and cloth, and in subsequently polishing the same by enamelling or burnishing, or in any suitable or efficient manner"; and that it further consists "in covering the collars made of the same material with a thin pellicle of transparent, colorless varnish, whereby they are rendered proof against injury from either rain or perspiration, and, when soiled, may be wiped off with a damp cloth or sponge, and restored to nearly their original whiteness." The specification of the reissue does not mention the varnishing of the collars; but it describes the mode of making them, up to and including the polishing and burnishing, in substantially the same language used in the specification of the original patent. The collar is a complete collar when made and polished or burnished. The varnishing only adds to its further useful qualities. Under the language of the specification of the original patent, the claim now found in the reissue would

have been a proper claim in the original patent. It is, therefore, a proper and valid claim in the reissue; and nothing is adduced which destroys the validity of such reissue.

The claim of reissue No. 1980, of the Lockwood patent, is as follows: "As a new article of manufacture, an embossed collar or cuff, made of a fabric composed of paper and muslin, or an equivalent fabric." The specification defines the fabric as one "having a smooth, white, polished or enamelled surface, to represent that of starched linen." It defines the embossing to be a representation of embroidery, or of ornamentation, whereby portions of the surface are depressed and portions are in relief. It describes a mode of effecting the embossing, by taking an electrotype from a linen collar or cuff, and using it as a die, and pressing between it and a counter die a collar and cuff made of the fabric mentioned, whereby all projections, depressions, stitches and marks on the original linen collar or cuff are reproduced, and the plain surface looks like starched linen; but it states that the inventor does not confine himself to any particular appliances or machinery for embossing the fabric. X

The claim of reissue No. 1981, of the Lockwood patent, is this: "As a new article of manufacture, an ornamental collar or cuff, made of a fabric composed of paper and muslin, or of an equivalent fabric, ornamented by printing, or otherwise marking, on the surface plain or colored devices." The specification defines the fabric as one "having a smooth and polished or enamelled surface, to represent that of starched linen. It states that the inventor prints, on the exposed surface of the article cut from the fabric, "plain or colored devices, so as to impart to it an ornamental appearance, the printed designs being such, as regards color and pattern, as the manufacturer may consider best suited to the taste of the public."

It is impossible to uphold either of these reissues as valid patents. No. 1980 is merely for embossing on a surface which imitates starched linen. The appliance or machinery for embossing is not claimed. The process of embossing is not

claimed. The result, in the embossed article, is claimed, as a new article of manufacture. But, as like embossing had been done on starched linen, the result of producing such embossing on a smooth, white, polished or enamelled surface representing that of starched linen, cannot be patented as an invention, when nothing is claimed as new in the appliance, machinery or process for producing the embossing. A starched linen collar, with its surface embossed, existed before. There was nothing of patentable novelty in the idea that, the imitative surface being provided, it would be well to emboss it. The patent does not claim the invention of the imitative surface, or of any means of producing it. The fabric of paper and muslin was old.

The same observations apply to No. 1981. It is merely for printing plain or colored devices on a surface which imitates starched linen. No novelty in any machinery or process for doing the printing is claimed. Nothing is described in regard to any part of the apparatus or instruments for printing. The direction is simply to "print." The result, in the printed article, is claimed, as a new article of manufacture. Printing had been done before on a smooth, white, enamelled surface; and, nothing being claimed as new in the appliance, machinery or process for producing the printing, and the surface imitating starched linen being provided, there was nothing of patentable novelty in the idea of printing upon such surface. The invention of the imitative surface is not claimed, nor is any means of producing such surface claimed; and the fabric to be printed upon was old.

If experiments were necessary before an embossed or a printed collar, of the fabric and surface indicated, could be produced, resulting in overcoming difficulties which were met with, the invention really consisted in the means or process of producing the embossed or printed collar, but the specifications and the collars produced alike fail to indicate any novelty in any such means or process, or any difficulties which can be overcome by following specific methods of operation.

Calling the thing produced a new article of manufacture,

confers upon it no quality of patentable novelty, when there is no such novelty in the process or instrument for producing the embossed or printed collar, and when the substance of the whole invention claimed is merely embossing or printing on a surface imitating starched linen.

The claims of reissue No. 1646, of the Gray patent, are three in number: (1.) "The turning over of a paper, or of a paper and cloth, collar, by a defined line, whether pressed into the material by a die or pointed instrument, or by bending it over the edge of a pattern or block, of the proper curve or line, substantially as described." (2.) "Turning the part B, of a paper, or a paper and cloth, collar, over, on to or towards the part A, in a curved or angular line, instead of a straight line, substantially as and for the purpose described." (3.) "So turning over the part B, on to or towards the part A, in the manner above described, as that a space shall be left between the two parts, for the purpose, and substantially in the manner, herein described."

In reference to the invention embodied in the first claim, the specification says: "In the making of turn over shirt collars of paper, or of cloth and paper combined, it is exceedingly difficult to fold the material so that, when turned over on the arc of a circle, it will present a regular line. This cannot be done by the eye, but must be done by a gauged line made in the material, or by a former of suitable shape, laid on the material, as a guide to turn it over by." It also says, that the best mode of securing the turning over in the arc of a circle, is to make in the collar an impression of the curve or line on which it is to be turned over, either by means of a die pressed upon it, or by drawing a pointed instrument over it, beside or along a pattern; that, when this is done, the collar can be readily turned over on or following the indented line; that the collar may also be turned over the edge of a pattern or block of the proper curve or line; and that the effect of making the folding line the arc of a circle, instead of a straight line, is to prevent the tension of the outer circle of the collar, after the turning over is effected, from wrinkling

or puckering the inner circle, and to cause the outer portion to stand off from the inner portion, so that a necktie may be inserted in the space, without causing either portion to be wrinkled or puckered by the pressure of the necktie.

It will be observed, that the claims limit the turning over to a paper, or a paper and cloth, collar. Nothing is said about a linen collar. It is not stated that any difficulty exists in turning over a collar of paper, or a collar of cloth and paper, on the arc of a circle, so as to present a regular line, which does not exist in turning over a linen collar; nor is it stated that the inner part of a turn-over linen collar, which is turned over in a straight line, will not wrinkle or pucker, when brought into a circular form, and the more if a necktie be inserted between the inner part and the outer part.

The third claim of the patent is entirely embraced within the second claim. One of the purposes described as to be attained by turning the one part over, on to or towards the other, in a curved or angular instead of a straight line, is, that a space shall be left between the two parts, and the leaving of the space is described as being merely the result of turning the collar over on other than a straight line. Attention may, therefore, be confined entirely to the first and second claims, for, if the second is void, the third must fall with it.

The first claim covers a defined line, whether straight or curved, made by the means indicated—either pressing a die or pointed instrument into the material, to make the line, or making the line by bending the material over the edge of a pattern or block representing the desired line. The second claim covers the turning over of the collar in a curved or angular line, whether by a defined line or not, and by whatever means.

It is shown, that, for many years before Gray's invention, paper envelopes, and the tops and bottoms of paper and cardboard boxes, were produced by shapers of steel, pressed on the material, so as to produce defined lines, whereby the material could be folded. It is also shown, that, in 1856 and 1857, the collars of Walter Hunt, made of paper and cloth,

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were folded over a piece of metal, in a straight line—the same process spoken of in the first claim of Gray's reissue, as bending the material "over the edge of a pattern or block, of the proper curve or line." It is also shown, that, prior to Gray's invention, linen collars were ironed on blocks, with a groove in the block, so that, as the iron passed into the groove, the collar received a defined line, by which it was turned down. This evidence disposes of the first claim of the Gray reissue.

It is also proved, that, before Gray's invention, paper collars were folded by laying upon the unfinished side a piece of tin, having at one edge the required curve, and pressing upward, over such curve, a part of the collar, so as to mark the line of the curve, and crease the paper, preparatory to folding it over; and that linen collars were turned over on a curved line, before Gray's invention, with the prevention of wrinkling and the affording of space for the cravat. The second claim of Gray's reissue, is, therefore, invalid.

The serious contest, in this suit, is in regard to reissue No. 2,309, of the Evans patent. The specification of the reissue states, that the object of Evans was to make a paper collar in which there was no backing of woven fabric. It proceeds: "Said Evans discovered, as the result of many experiments, that, in order to produce a really good collar, the paper must possess the following qualities, viz: strength to withstand the usual wear and tear, particularly where button holes are used, without excessive thickness, such as to destroy the resemblance to a starched linen collar, and tenacity or toughness, with pliability sufficient to allow the collar to be folded upon itself, without cracking at the fold, and the pureness of color and necessary polish to make it resemble starched linen. He (said Evans) made his collars out of a paper which he produced, or caused to be produced, in which he combined these qualities, which paper was made of a long fibre, substantially, in this respect, like bank note paper, but of about the same thickness as that of an ordinary collar, and of a

pure shade or color, such as to resemble starched linen. By means of the length of fibre in the material, he was enabled to obtain, from the degree of thickness above specified, a sufficient degree of strength, tenacity and pliability to make a collar practically useful for wear, without interfering with the resemblance in appearance to a linen collar. A sample of the paper which he thus found suitable and used, is shown, filed with the original application of the said Evans for his patent above referred to." The specification then describes what quality of stock should be used, and in what manner the stock should be pulped and beaten, and how the sheets should be run off, and how the water should be expelled, and what tint of color should be given, and adds: "The invention of said Evans is not confined to the use of any specific proportion of hard stock, nor to any specific time or mode of long beating of the pulp, nor any specific method of running off or uniting the sheets of pulp, or of exhausting the moisture, or of giving the required tint, but it is believed that the quality of stock to be used, the process by which the length of fibre and the required shade of color are produced, will be readily understood by paper manufacturers, having regard to the above description and the purposes for which the paper is designed." From the paper, when prepared, collars are directed to be cut. The claim is: "A collar made of long fibre paper, substantially such as is above described."

The specification points out, as the invention of Evans, not the process of making a paper possessing the qualities indicated, but the making of collars out of such a paper—the discovery, that, for a good paper collar, the paper must possess those qualities. The specification states, that he "produced, or caused to be produced," such a paper, and, also, that he "found" such a paper "suitable" and "used" it. In fact, the invention indicated and claimed is, that, when a paper of the qualities set forth is found, a collar is to be made of it.

But, whatever invention there was to be made in the premises, was an invention of the paper possessing the described properties. No person can be considered an inventor of the

paper, who did not invent the process for producing the paper. It is entirely clear, from the evidence, that Evans had nothing to do with the process for producing the paper. Mr. Crane and his operatives worked out that process, without any suggestions from Evans as to any parts of the process. All that Evans did was to say, that he must have a paper of a certain weight, thickness, color, strength and finish. Such a paper was produced by Mr. Crane, after many experiments as to the character of the materials used and the mode of treating them. Evans' relation to any invention in the premises is no other than what it would have been if he had found ready to his hand the desired paper, and had conceived the idea of making a collar from it. The making of the collar would not have been patentable, collars having before been made of other qualities of paper and of other materials. Charles Goodyear discovered the process for producing vulcanized india rubber, and was the first person to produce such article. He was entitled to a patent for the process and to a patent for the product. He was entitled to a patent for the product because he invented the process, and for no other reason. If he had not invented the process, he would not have been entitled to a patent for the product. If he had said to another person: "I wish to have produced from india rubber an article possessing such and such properties, and, when I procure it, I can use it for such and such purposes," and such other person had, by experiment, produced vulcanized india rubber, Charles Goodyear could not have obtained a valid patent for such product. Nor could he have obtained a valid patent for anything, as a new manufacture, to be made from such product, which had before been made, in like form and shape, from other materials. The patent to Charles Goodyear, for his product, covered the making of all such things. In the present case, the collar described in the specification, and shown in the drawings, of the reissue of Evans' patent is, in form, structure and arrangement, apart from the paper of which it is to be made, identical with collars previously made of linen, paper, and other fabrics. Evans not

having invented the paper, was not entitled to a patent for it, or for the collar to be made from it.

The broad proposition is contended for by the plaintiffs, that Evans invented the paper, as a new manufacture, because he was the first to conceive the idea of having a paper combining all the qualities prescribed in the specification. It is urged, that, as he was not a paper maker, he had a right to use the trained skill of Mr. Crane and his operatives, to carry out the idea; that they were merely the instruments of Evans, in working out the invention of Evans; that, although Evans does not claim to have invented the process or the machinery for making the paper, yet he was the inventor of the paper, and could have obtained a patent for it, as an article of manufacture; and that, therefore, a patent for his invention of a collar made from such paper can be sustained. The principle sought to be applied, in the view thus urged, is a familiar one in the patent law, and properly applicable in some cases. But it has no proper application to the patent in question. Evans had nothing to do with imparting to the paper the qualities attributed to it by the specification. He merely announced to the paper maker, that he desired a paper having those qualities, to be made. If the paper maker, setting forth the process and machinery by which the paper was made, had, the paper, as combining in itself properties never before combined in a paper, being a new article of manufacture, claimed a patent for the paper, as having invented the process by which it was made, could it be said that he would not have been entitled to such patent? If not, can Evans be entitled to a patent for the paper, or to the present patent, which is really nothing else but a patent for the paper? At the very utmost, Evans could properly assert nothing more than that he and the paper-maker were joint inventors of the paper.

For these reasons, I am constrained to hold that the re-issue No. 2,309 is void.

The patent of July 31st, 1866, No. 56,737, for an alleged invention of said Evans, has two claims: (1.) "As a new ar-

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ticle of manufacture, a wristband or cuff, made of long fibre paper, substantially such as is above described." (2.) "Making said wristband or cuff reversible, substantially as and for the purpose described."

The specification of this patent, so far as the first claim is concerned, is, in its descriptive part, identical with the specification of the reissue No. 2,309, substituting "wristband or cuff" for "collar." The first claim is for a wristband or cuff, as a new article of manufacture, made of the paper described in the reissue No. 2,309. Wristbands and cuffs of paper, linen and other fabrics, being old, and there being nothing new or peculiar in the form or structure of the wristband or cuff embraced in the first claim, except as to the paper of which it is to be made, and Evans not having been the inventor of such paper, the first claim is invalid, for the same reasons for which the claim of the reissue No. 2,309 is void.

As to the second claim of No. 56,737, so far as the evidence discloses, it was new and patentable. The wristband or cuff shown in the drawings of the patent as being double or reversible, is so in a sense different from anything shown to have existed before. It has six button holes, three on each end, the middle and outer ones alone being necessarily in use at any one time, and the inner ones being capable of being left to be first used when the wristband or cuff is reversed. There is something new, useful and patentable in such a construction.

There must be a decree for the plaintiffs, for an injunction and an account of profits on reissue No. 1,828, and on the second claim of patent No. 56,737. The question of costs is reserved until the entering of a final decree.

William Whiting and Clarence A. Seward, for the plaintiffs.

Joseph J. Coombs and Edmund Wetmore, for the defendants.

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THE RUMFORD CHEMICAL WORKS

vs.

JOHN E. LAUER. IN EQUITY.

The first and second claims of the reissued letters patent granted to the Rumford Chemical Works, June 9th, 1868, as assignees of Eben N. Horsford, as inventor, for an "improvement in pulverulent acid for use in the preparation of soda powders, farinaceous food, and other purposes," the original patent having been granted to Horsford April 22d, 1856, and reissued to the plaintiffs May 7th, 1867, and again reissued to them June 9th, 1868, namely, (1.) "As a new manufacture, the above described pulverulent phosphoric acid;" (2.) "The manufacture of the above described pulverulent phosphoric acid, so that it may be applied in the manner and for the purposes described," are void for want of novelty, regarding the second claim as one to the described process of making the acid claimed in the first claim as a new manufacture.

Two chemical processes held to be the same, although the proportions of the ingredients used in the two were not the same.

The products of the two processes held to be the same.

The 9th section of the Act of March 3d, 1837, (5 *U. S. Stat. at Large*, 194,) is designed to allow a patentee to recover on one claim of his patent, notwithstanding other claims in it are void for want of novelty, but it requires that the parts claimed without right, and the parts rightfully claimed, shall be definitely distinguished from each other in the claims.

The third claim of the said patent, namely, (3.) "The mixing, in the preparation of farinaceous food, with flour, of a powder or powders, such as described, consisting of ingredients of which phosphoric acid, or acid phosphates, and alkaline carbonates are the active agents, for the purpose of liberating carbonic acid, as described, when subjected to moisture or heat, or both," is a claim to the mixing of the acid and the alkali with the flour, in a dry state, and stopping at that point, without applying moisture or heat.

Such claim is void, in view of the letters patent granted by the United States, May 1st, 1849, to John Fowler, which describes a mixture consisting of flour and dry, powdered tartaric acid, and a dry, powdered, alkaline carbonate, requiring only the addition of water to make dough.

The substitution of phosphoric acid, or acid phosphate, in the mixture referred to in such claim, in place of the acid named in Fowler's patent, was a mere formal and colorable alteration of Fowler's mixture, and not an invention, and not the subject of a patent.

The fourth claim of the said patent, namely, (4.) "The use of phosphoric acid,

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or acid phosphates, when employed with alkaline carbonates, as a substitute for ferment or leaven, in the preparation of farinaceous food," is a claim to the actual use of such acid and alkali in making raised dough, and is valid.

It required experiment and invention to find out whether phosphoric acid could be used in place of tartaric acid practically and successfully, and with safety to health.

Proper form of decree, on the infringement of the fourth claim.

Motion to amend a bill of complaint denied.

Motion to open proofs, and for a rehearing, granted.

(Before BLATCHFORD, J., Southern District of New York, September 18th, 1872.)

THIS was a bill in equity, brought by the Rumford Chemical Works, a Rhode Island corporation, founded on reissued letters patent granted to the plaintiffs, June 9th, 1868, for an "improvement in pulverulent acid for use in the preparation of soda powders, farinaceous food, and for other purposes," as assignees of the alleged inventor, Eben N. Horsford. The original patent was granted to Horsford April 22d, 1856, and was reissued to the plaintiffs May 7th, 1867, and reissued to them a second time June 9th, 1868. The infringement alleged in the bill was the making and selling by the defendant, of pulverulent acid, in infringement of said reissued patent of 1868. The defendant, in his answer, admitted that he has made and sold improved acid compound for use in baking and cooking, under letters patent granted to him February 19th, 1867.

The specification of the plaintiffs' patent stated the invention to be "a new pulverulent acid for use in the preparation of soda powders, farinaceous food, and for other purposes." It then described the acid and the mode of its preparation. It said: "Carefully washed and properly burned bones, after being ground, are put into freshly diluted oil of vitriol, with continual stirring and in the following proportions: Five hundred pounds of the above described bones, (sometimes called bone ash), four hundred pounds of oil of vitriol, and one thousand pounds of water. These ingredients are stirred, from time to time, for about three days, when, ordinarily, the action will be completed, and the resultant products will be phosphoric acid, superphosphates and sulphate of lime, or gypsum,

with a small proportion of salts of magnesia and soda, in a paste-like mass." Various methods were then described for making this mass pulverulent: (1st.) Mixing it, while moist, with any farinaceous substance, drying it slowly in the sun or with artificial heat not above 150° of Fahrenheit, and pulverizing it; (2d.) Mixing it with freshly burned gypsum, drying it in the sun, or by artificial heat, and pulverizing it; (3d.) Mixing it with stearine or other fatty bodies, drying it and pulverizing it; (4th.) Leaching the mass, mixing the concentrated extracts with burned gypsum or stearine, drying it and pulverizing it; (5th.) Drying and pulverizing it without admixture. All of these modes were stated to have given desirable results, but a preferable mode was then described, which consisted in leaching the mass, concentrating the mass to 25° Beaumé, thereby obtaining a solution consisting of phosphoric acid and acid phosphate of lime, with slight traces of other salts, substantially freed from gypsum or sulphate of lime, heating ten gallons of this mixture to boiling, adding four pounds of perfectly white bone ash, continuing the boiling until the concentrated liquid mass, containing in solution the added bone ash, became pasty, cooling the mass, adding seventy-six pounds of wheaten flour, mixed to a uniform paste, adding sixteen pounds of potato starch, carefully mixed, sifting it through a sieve with quarter inch meshes, drying it thoroughly at a temperature of not over 150° Fahrenheit, and pulverizing it. The sole object of these manipulations of the paste-like mass was to obtain it in the shape of powder. The specification said: "The object is to obtain phosphoric acid in such form, that is, a pulverulent powder, so that it may be intimately mixed with any alkaline carbonates, or other sensitive chemical compounds, without decomposing them or entering into combination with them, except upon the addition of moisture or the application of artificial heat. This requires that the phosphoric acid or acid phosphates be mixed with some neutral agent, as flour, or starch, gypsum, &c., so that action of the acid shall be prevented while dry, and shall, when moisture or heat is applied, be prompt, thorough and

equally diffused." * * * "As a dry, brittle powder, the article has the advantages of a pulverulent acid, may be handled, weighed, stirred, &c., as tartaric acid or cream tartar; and, as a substitute for these and a variety of pulverulent acids and acid salts, it has many uses in manufacture. It may, among other uses, be mixed with dry alkaline carbonates, (carbonate of potassa or carbonate of soda,) and remain in this state, without evolution of carbonic acid, until moistened or heated; thus making it a substitute for cream tartar and tartaric acid in the preparation of yeast powder or baking powder. I am aware, that acid phosphates have been used as fertilizers; but, because of the method pursued in their manufacture, their coarseness, dark color and offensive impurities, they were totally unfit to be used in the preparation of food. I am also aware, that acid phosphates and phosphoric acid, in a liquid, or more or less viscid condition, have been prepared in the laboratory of the chemist; but neither of these forms of phosphoric acid or acid phosphates possessed the properties essential to the purpose for which I design to employ them. The body which I have invented and above described is a form of acid phosphate of lime, or of mixed acid phosphate of lime and phosphoric acid, in which the phosphoric acid is the active and valuable constituent, free from the objectionable qualities of the above mentioned bodies. It is a dry, fine, white, or nearly white, homogeneous powder, unobjectionable on account of odor, taste or composition, is an essential and important element in healthful nutrition, and is suited to be employed as the acid ingredient in the preparation of self-raising farinaceous food. In order to make the article possessing these qualities and suitable to this office, it is necessary that a powder should be made which can be not only evenly comminuted and diluted, but one which shall have so little affinity for the moisture of the atmosphere that it can be mixed with flour and bicarbonate of soda, in the practical preparation of self-raising flour." * * * "To meet the wants I have contemplated, the phosphoric acid must be a dry, fine, homogeneous powder, white, or nearly white, and unobjec-

tionable on account of smell, or taste, or healthfulness. It must be a dry powder, to permit it to be mixed with flour and bicarbonate of soda, and not evolve carbonic acid prematurely. If sticky, it would mix unequally, and, if moist, it would at once act on the bicarbonate of soda, to decompose it and set free carbonic acid. It must be a fine powder, in order, so to speak, that, with proper distribution, each minute quantity of flour may be brought into juxtaposition with a particle of acid and a particle of bicarbonate of soda, so that, upon the application of moisture, the carbonic acid of the bicarbonate of soda shall be so uniformly liberated throughout the entire mass of the dough, that it shall secure a uniform finely porous structure throughout the loaf. It must be a homogeneous powder; that is, all particles must have a like acidity, in order that the decomposition of the alkaline carbonates shall be uniform, and thus prevent portions of the bread from becoming dark colored, heavy and alkaline, by the action of undecomposed bicarbonate, while certain other portions may become sour, on account of uncombined acid." * * * "The acidified mixture above described as acid phosphate, or acid phosphate and free phosphoric acid, I have called 'pulverulent phosphoric acid.' The acid agent which this preparation places in available condition, is phosphoric acid, as tartaric acid is the available acid agent in cream tartar, and this is used as a substitute for tartaric acid or cream tartar, to decompose alkaline carbonates, as stated above, in the well-known process of making bread, cake, &c., without the use of ferment." The claims of the patent were as follows: "1st. I claim, as a new manufacture, the above described pulverulent phosphoric acid; 2d. I claim the manufacture of the above described pulverulent phosphoric acid, so that it may be applied in the manner and for the purposes described; 3d. I claim the mixing, in the preparation of farinaceous food, with flour, of a powder or powders, such as described, consisting of ingredients of which phosphoric acid or acid phosphates and alkaline carbonates are the active agents, for the purpose of liberating carbonic acid, as described, when subjected to moisture or

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heat, or both; 4th. The use of phosphoric acid or acid phosphates, when employed with alkaline carbonates, as a substitute for ferment or leaven, in the preparation of farinaceous food."

The case was brought to final hearing, on pleadings and proofs, and the Court (BLATCHFORD, J.) held, that, as the alleged infringement charged in the bill was confined to the making and selling of pulverulent acid, in infringement of the patent, only the first two claims of the patent were involved; that the first claim was a claim to the described pulverulent phosphoric acid, as a new article of manufacture; and that whether the second claim was to be regarded as a claim to the process of making such acid, or as being, in substance, the same as the first claim, in another form, it was unnecessary to determine in the view taken of the case, by the Court.

The defences set up were, that Horsford was not the original and first inventor of anything which had been made and sold by the defendant, and that the defendant had not infringed the patent. On the question of novelty, the defendant undertook to establish that Horsford was not the original and first inventor of a pulverulent acid phosphate of lime suitable to be used, with bicarbonate of soda, as a substitute for ferment or leaven, in the preparation of farinaceous food; and that an acid phosphate possessing all the properties and qualities of the acid phosphate described in the plaintiffs' patent was known in the arts prior to the date of Horsford's invention. The article relied on by the defendant as antedating Horsford's acid, was what was known as the three-fourths phosphate of Berzelius, described in the Hand Book of Chemistry, by Leopold Gmelin, volume 3, page 195, published in 1846. It was claimed, by the defendant, that such three-fourths phosphate was an acid phosphate of lime, possessing all the properties and qualities specified in the plaintiffs' patent as being possessed by Horsford's pulverulent phosphoric acid, and as being necessary, in admixture with bicarbonate of soda, for the preparation of self-raising farin-

aceous bread: that it was a dry, non-hygroscopic, fine, white, homogeneous powder, unobjectionable on account of odor, taste or composition; that the phosphoric acid of such powder was the active agent, when the powder was mixed with bicarbonate of soda and moistened, in liberating carbonic acid, to give porosity to dough; and that such acid, in uniting with the soda of the carbonate, to evolve carbonic acid gas, formed phosphate of soda, which was deposited in the dough. The three-fourths phosphate was so called, as having a chemical composition of four atoms of oxide of lime and three atoms of phosphoric acid. The entire passage in Gmelin describing this phosphate was as follows: "4 Ca O, 3 PO⁵. c. *Three-fourths Phosphate*. Aqueous solution of phosphoric acid is saturated with the salt (a) the solution mixed with alcohol, and the white precipitate formed washed with alcohol and dried. White powder, having an acid taste and reddening litmus. With water it separates into the insoluble salt b and an acid salt, which remains in solution (with one atom of acid f) Berzelius *Ann. Chim. Phys.*, 2, 167.) If the salt a, recently precipitated, is immersed in a solution of hydrated phosphoric acid ignited just before it was dissolved in water, it gradually changes to a tenacious acid mass, which may be drawn out into threads and sticks to the teeth; after drying, it becomes yellow, transparent and very friable. This substance has the same composition as c, and is decomposed in the same manner by water, but contains metaphosphoric acid. (Berzelius, *Lehrb.*, 4, 277.) Graham regards this compound as metaphosphate of lime.

The Court held, that the first claim of the plaintiffs' patent, if valid, would be infringed by the manufacture, sale or use of any dry, fine, homogeneous powder, containing, as an active agent, phosphoric acid, in an available condition to be used as a substitute for tartaric acid, in decomposing an alkaline carbonate, in making bread without the use of ferment; that the prior existence of any such powder was an answer to such first claim; that the testimony showed, that, by following the description in Gmelin, a dry, fine, homoge-

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neous powder was produced, containing, as an active agent, phosphoric acid, in an available condition to be used as a substitute for other acid, in decomposing an alkaline carbonate, in making bread without the use of ferment, and which was used for that purpose successfully, and which powder did not, by being kept, lose its acid strength or become inert, or absorb moisture from the air, or part with any of the qualities defined in the plaintiffs' patent as necessary in such a powder; that the pulverulent phosphoric acid, as a chemical substance, claimed in the first claim of the plaintiffs' patent, was shown, by the evidence, to have existed prior to the invention of it by Horsford; and that the first claim was, therefore, void, for want of novelty.

The Court held, as to the second claim, that, if it were regarded as a claim to the process described in the patent for making the acid, the defendant had not infringed it, because his process was as different from that of the plaintiffs', as the plaintiffs' was different from that described by Berzelius or Gmelin; that the defendant dissolved bone black in a mixture of muriatic acid and water, filtered the product, added sulphuric acid, and dried the resulting mass by heat, till it crumbled into a powder which was white and acid, and could be used, in connection with bicarbonate of soda, to liberate carbonic acid, to make bread; that bone black was burned bones; that the muriatic acid dissolved the phosphate of lime in the bones from the carbon, the filtering got rid of the carbon, the action of the sulphuric acid created sulphate of lime, acid phosphate of lime and free phosphoric acid, and the heat drove off the muriatic acid; that Horsford removed the carbon from the bones by fire before he applied the sulphuric acid, while the defendant removed the carbon from the bones by muriatic acid, and then got rid of that acid by heat; that Horsford burned away the carbon from the phosphate of lime in the bones, while the defendant dissolved away the phosphate of lime from the carbon; that the products produced by the two processes were substantially identical with each other and with the product produced by the process of

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Berzelius and Gmelin, as powders containing phosphoric acid as an available agent to decompose alkaline carbonates, for the purpose of liberating carbonic acid, to give porosity to dough, but the three processes differed each from the other, in substance; that it appeared, from the evidence, that the use of sulphuric acid, to act on what was indifferently known as bone earth, or bone ash, or bone phosphate, being common bones containing phosphate of lime, and thus form sulphate of lime and liberate phosphoric acid or an acid phosphate of lime, was well known before the date of the alleged invention of Horsford; that the defendant did not, by the use of the process described in his patent, infringe the second claim of the plaintiffs' patent, considered as a claim to the process described in that patent for making the pulverulent acid therein described: and that, if the second claim were considered as a claim to the acid, as a product, the conclusions arrived at in regard to the first claim applied to it.

The third and fourth claims of the plaintiffs' patent not being involved in the case, the Court remarked, that the questions, so largely discussed by the counsel for the plaintiffs, on the argument, as to whether Horsford was not the first person who used, as a substitute for yeast, a powder containing phosphoric acid as its active agent, and as to whether he was not entitled to a patent for applying phosphoric acid, in connection with an alkaline carbonate, to the raising of dough, and as to whether the third and fourth claims of the plaintiffs' patent were not valid, as containing inventions which involved the necessity of experiments, to determine whether phosphoric acid, when artificially introduced into bread, would be healthful, and whether and how the acid could be mixed with flour and with an alkaline carbonate, and remain inactive until moistened or heated, were questions which would arise on the patent when a suit was brought on it for the infringement of its third and fourth claims, but they were not presented in this case; and that it might be, that there were claims which Horsford could make and hold in reference to certain constituents and qualities of the pulverulent

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phosphoric acid that was made by his process, but the broad claim made to the acid described was not tenable.

The conclusion was, that the bill must be dismissed.

Before a decree was signed or entered on such decision, the plaintiffs moved to amend the bill, by adding to the averment that the defendant had made and sold pulverulent acid in infringement of the patent, an averment that he had used such acid. The motion was made on the ground that, as the answer of the defendant admitted that the defendant had made, used and sold improved acid compound for use in baking and cooking, under letters patent granted to him February 19th, 1867, such averment of user would, in connection with such admission, raise an issue as to the infringement of the third and fourth claims of the patent. It was shown, however, by affidavit, on the part of the defendant, that he had never used any acid phosphate with an alkaline carbonate, except in a few instances, for the purpose of experiment, and had never mixed any acid phosphate with an alkaline carbonate for sale, to be used in the preparation of farinaceous food, or for any other purpose; and it did not appear that the defendant had used the plaintiffs' acid otherwise than by making and selling the acid compound patented to the defendant. The Court, therefore, held, that the defendant had not infringed the third and fourth claims of the patent; that the issues as to the first and second claims were raised by the averments in the bill as to making and selling the acid, as fully as if the averment in regard to using it were contained in the bill; and that the motion to amend the bill must be denied.

At the same time, a motion was made, on the part of the plaintiffs, to open the proofs in the case, for further testimony, and for a reargument. The ground of the motion was, that two of the chemical experts for the plaintiffs did not, in preparing specimens which they produced as specimens of the three-fourths phosphate of Berzelius, follow the process of manufacture described in the public works referred to, in that such specimens differed in chemical composition from such three-fourths phosphate, and that they boiled the solutions

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they employed. It was also urged, that a three-fourths phosphate, fulfilling the formula of Berzelius, could be produced without the use of heat, and had been so produced by the plaintiffs' expert, and was, when so produced, practically inert and useless as a constituent of a baking-powder. The Court held, that that branch of the case had not been fully developed in the testimony taken for the hearing; that the question as to the effect of using heat in the process had not been gone into to the extent which seemed desirable; that the question as to whether the substance produced as the three-fourths phosphate was made by the process of Berzelius, was a vital question in the case; and that both parties ought to be allowed to take further testimony as to the novelty of what was covered by the first and second claims of the plaintiffs' patent, as affected by the descriptions in the public works referred to, the case to be then heard on the testimony already taken and on the new proofs to be taken.

The case now came on to be reheard.

William Whiting and Clarence A. Seward, for the plaintiffs.

Charles M. Keller, for the defendant.

BLATCHFORD, J. Although the announced decision of the Court, on the motion of the plaintiffs for a re-argument, was, that both parties would be allowed to take further testimony as to the novelty of what is covered by the first and second claims of the plaintiffs' patent, as affected by the description of the three-fourths phosphate in the Lehrbuch and in Gmelin, yet the formal order entered was an unrestricted one, reopening the cause, with liberty to either party to take further proofs, and to bring on the cause for a rehearing on the proofs then already taken and such further proofs as might be taken. A large mass of further testimony has been taken, on all the points involved in the cause, and it has been reargued.

The first two claims of the patent are the only ones involved in this suit. As to them, the contest is as to their novelty. Regarding the second claim as a claim to the de-

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scribed process of making the acid claimed in the first claim as a new manufacture, the process so described consists, so far as substance is concerned, in mixing together 500 pounds of bone ash, (made by grinding burned bones,) and 400 pounds of freshly diluted oil of vitriol, (which is sulphuric acid,) and 1000 pounds of water, stirring the ingredients from time to time, for about three days, and drying and pulverizing the resultant mass. The resulting pulverized powder is claimed in the first claim, as a new manufacture. It is said, in the specification, to consist of phosphoric acid, superphosphates, and sulphate of lime, or gypsum, with a small proportion of salts of magnesia and soda.

The process of the plaintiffs' specification is fully anticipated by the description of Lawes' process of making a dry superphosphate, which was not before the Court on the former hearing. The Lawes process was published in England in 1845, in an article in volume 5 of the Journal of the Royal Agricultural Society of England, entitled: "On the action and application of dissolved bones." The article says: "Where calcined bones are used, owing to their containing merely the earthy portions of the bones, and to their being so easily dissolved, a dry superphosphate may be formed. For effecting this, Mr. Lawes * * * gives the following excellent and simple directions for making this superphosphate: Calcined bones are to be reduced, by grinding, to a very fine powder, and placed in an iron pan, with an equal weight of water, (a cast iron trough such as are sold for holding water for cattle will do.) A man with a spade must mix the bone with the water until every particle is wet. While the man is stirring, an assistant empties, at once, into the pan, sulphuric acid, 60 parts, by weight, to every 100 parts of bone. The acid is poured in at once, and not in a thin stream, as commonly recommended. The stirring is continued for about three minutes, and the material is then thrown out. With four common farm laborers, and two pans, I have mixed two tons in one day. The larger the heap that is made, the more perfect the decomposition, as the heap remains intensely hot

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for a long time. It is necessary to spread the superphosphate out to the air for a few days, that it may become dry." The evidence shows, that the Lawes process is the same as that of the plaintiffs' patent: In each, ground calcined bones are mixed with water and sulphuric acid, the proper chemical action and decomposition are allowed to take place, and the result is a dry product, capable of being pulverized. The relative proportions of the three materials—bone ash, sulphuric acid and water—differ somewhat in the two processes. Lawes uses 10 parts in weight of bone, to 10 of water, and 6 of sulphuric acid. The plaintiffs' prescribe 10 of bone to 20 of water and 8 of sulphuric acid. But, their specification says: "It will be obvious to any practical chemist, that the above described processes of producing this pulverulent acid may be modified in various ways. The proportions of the agents employed may be varied somewhat, without materially affecting the result." The prescribed quantity of sulphuric acid in the patent is larger, in proportion, to the bone, than in Lawes' process. But, it is shown to have been a well-known chemical fact, that the greater or less acid strength of the product of such a mixture would be due to the greater or less relative proportion of sulphuric acid used. There is no invention in so varying proportions, as the specification itself, in effect, states. The process remains, in substance, the same. There can be no doubt that Lawes' process, if it had been first resorted to subsequently to the issue of the plaintiffs' patent, would be an infringement of that patent.

The processes being the same, the natural conclusion would be that the products would be substantially alike. The evidence is to that effect. It shows, that the product of the Lawes process, as described, is, to all practical intents and purposes, the same thing as the product of the plaintiffs' process, and capable of being used for the purposes set forth in the specification of the plaintiffs' patent. It is no invention, in preparing the article to be used as an ingredient in food, to carefully wash the bones clean. The direction, as to each process, is simply to use sulphuric acid or oil of vitriol, and cal-

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cined or burned bones, generally. Any impurity of extraneous matter that would exist in the sulphuric acid or the bones, or in the product because of the quality of such acid or of such bones, in the one case, would exist in the other. The evidence shows, that the Lawes product is equally non-hygrosopic with that of the plaintiffs' process; that the one is as much entitled to the appellation of a dry powder as the other, and no more; and that the Lawes product has sufficient acid strength, of a permanent character, for use for the special purpose of an ingredient in a yeast powder.

The first two claims of the plaintiff's patent are, therefore, anticipated by the Lawes process and product. This conclusion makes it unnecessary to consider any of the other matters discussed on the question of novelty.

It was suggested, on the hearing, that, as the defendant uses starch with his acid, and as the plaintiffs' patent states, as its preferred method of preparing the acid, the use of starch in it, the first claim ought, at all events, to be held good for the acid when prepared with starch in it, on the ground that starch had never before been used as an ingredient in it. This view was urged, on the idea that the case falls within the 9th section of the Act of March 3d, 1837, (5 *U. S. Stat. at Large*, 194,) which provides, that, when a patentee claims, in his specification, "to be the original and first inventor or discoverer of any material or substantial part of the thing patented, of which he was not the first and original inventor, and shall have no legal or just right to claim the same, in every such case the patent shall be deemed good and valid for so much of the invention or discovery as shall be truly and bona fide his own, provided, it shall be a material and substantial part of the thing patented, and be definitely distinguishable from the other parts so claimed without right as aforesaid; and every such patentee, his executors, administrators and assigns, whether of the whole or of a sectional interest therein, shall be entitled to maintain a suit at law or in equity on such patent, for any infringement of such part of the invention or discovery as shall be bona fide his own, as

aforesaid, notwithstanding the specification may embrace more than he shall have any legal right to claim." This section has no application to the case. It is designed to allow a patentee to recover on one claim of his patent, notwithstanding other claims in it are void for want of novelty. But, it requires that the parts claimed without right, and the parts rightfully claimed, shall be definitely distinguishable, as matter of fact, on the face of the claims, that is, be definitely distinguished from each other in the claims. Here, there is no distinction, in the claims, between acid prepared with starch and acid prepared without starch. If there were a claim to the acid prepared with starch, and a separate claim to the acid prepared without starch, there might, under the statute, be a recovery on the former, although the latter were void for want of novelty, provided there had been no unreasonable delay in filing a disclaimer to the latter.

The bill must be dismissed, with costs.

At the same time with the foregoing case, the case of the same plaintiffs against *John Hecker* and *George V. Hecker*, founded on the same patent, was heard, being argued by the same counsel.

BLATCHFORD, J. The patent involved in this case is the same one sued on in the case brought by the same plaintiffs against Lauer, just decided. The present defendants are charged with infringing all four of the claims of the patent. The first two are disposed of by the decision in the case against Lauer.

The third and fourth claims are as follows: "3. I claim the mixing, in the preparation of farinaceous food, with flour, of a powder or powders, such as described, consisting of ingredients of which phosphoric acid, or acid phosphates, and alkaline carbonates, are the active agents, for the purpose of liberating carbonic acid, as described, when subjected to moisture or heat, or both. 4. The use of phosphoric acid, or acid phosphates, when employed with alkaline carbonates, as a substi-

tute for ferment or leaven, in the preparation of farinaceous food."

The proper construction of the third claim is, that it claims the mixing of the acid and the alkali with the flour, in a dry state, and stopping at that point, without applying moisture or heat. In other words, it claims the preparing of self-raising flour, containing the powder or powders named in the claim, and requiring merely the application of moisture or heat, to enable it to be leavened. Against the novelty of this claim, the defendants set up a patent granted by the United States, May 1st, 1849, to John Fowler, assignee of Henry Jones, the inventor. The specification of the Fowler patent says, that the invention covered by it consists "in the adding to a certain weight of flour, such quantities of alkalines and acids, sugar and salt, as shall, by the addition of water only, enable such prepared flour to be manufactured into bread, &c., without the use of fermenting matter." The specification then describes a mode of making the prepared flour, by first mixing with one hundred weight of dry flour ten and a half ounces of fine, dry tartaric acid, and then, after two or three days, mixing with the flour and acid, twelve ounces of bicarbonate of soda, or fourteen ounces of bicarbonate of potassa, in fine powder, twenty ounces of muriate of soda, (common salt,) and eight ounces of loaf sugar, in fine powder. The specification adds: "The quantities of acids and alkalies may have to be slightly varied, according to their quality; but the point to be attained is the neutralization of both. My prepared flour, when used to make bread, biscuits, or other like food, only requires to be made into dough with cold water, in the proportion of ten ounces of water to one pound of flour for bread, and about six ounces to one pound of flour for biscuits, and baked at once in a well heated oven. I do not claim mixing acid and alkali with flour, as a substitute for yeast, nor do I claim mixing one of these ingredients with flour in the dry state, when the other is dissolved, for making bread." The claim is this: "Mixing both the acid and alkali with the flour in the dry state, sugar and salt being added or

not, at will, substantially in the manner and for the purpose herein set forth, as a new article of manufacture."

In view of the Fowler patent, it is impossible to see any patentable novelty in the third claim of the plaintiffs' patent. The prepared flour made with the ingredients named in said claim contains the phosphoric acid, or the acid phosphate, as a mere equivalent for the tartaric acid of Fowler's prepared flour; as much so as a screw or a lever is a mechanical equivalent for a pulley. Any pulverulent acid, capable, on the application of heat or moisture, of liberating carbonic acid to make the dough porous, is, in the prepared flour, the equivalent of any other pulverulent acid having the like capacity, so far as regards such prepared flour, before heat or moisture is applied. Everything of substantive, patentable invention, in regard to prepared flour, as composed of an acid in dry powder, and an alkaline carbonate in dry powder, mixed with dry flour, is found in the patent of Fowler. Especially is this so, in regard to the plaintiffs' patent, in view of the fact that the specification of that patent discloses no mode of practically mixing the ingredients composing the self-raising flour, but merely states that the acid "may be mixed with flour and bi-carbonate of soda," as a substitute for cream tartar and tartaric acid, "in the practical preparation of self-raising flour."

The fourth claim is a claim to the use of the acid and an alkaline carbonate, as a substitute for ferment or leaven, in the preparation of farinaceous food. This is a claim to the actual use of such acid and alkali in making raised dough. Nothing is shown which anticipates this claim, and the invention covered by it is patentable. Horsford was the first to use phosphoric acid, or an acid phosphate, for the purpose. It required experiment and invention to find out whether phosphoric acid could be used in place of tartaric acid, practically and successfully, and with safety to health. As it is admitted, and proved, that the defendants have used what is substantially the same acid described in the plaintiffs' patent, mixed with an alkaline carbonate, as a substitute for leaven,

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in making bread from flour, they have infringed the fourth claim of that patent, and there must be a decree for the plaintiffs, for an account of profits, as to that claim. The question of costs is reserved.

On the settlement of the decree, in the case against the Heckers, the plaintiffs asked to have the Court review its decision as to the third claim, and to consider whether, in the light of the decision of the Supreme Court in the case of *Rees v. Gould*, (2 *Offl. Gazette of Patent Office*, 624,) the third claim was not valid. They also asked that the decree should direct that the account to be taken, on the infringement of the fourth claim, should include an account of the profits derived by the defendants from the sale of the mixture described in the third claim, on the ground that the defendants, by selling such mixture, were joint infringers of the fourth claim, with every purchaser of such mixture from them, who used it in infringement of the fourth claim.

BLATCHFORD, J. In respect to the validity of the third claim of the plaintiffs' patent, I am referred to the case of *Rees v. Gould*, decided by the Supreme Court of the United States, (2 *Offl. Gazette of Patent Office*, 624.) I do not understand that any different doctrine is laid down in the opinion delivered in *Rees v. Gould*, from that which is laid down in the opinion delivered, in the same Court, in *Seymour v. Osborne*, (11 *Wallace*, 516, 555, 556,) by the same Judge, Mr. Justice Clifford. In view of the construction given by me to the third claim of the plaintiffs' patent, and of what is found in the Fowler patent, and even irrespective of the evidence as to what was known, prior to the plaintiffs' patent, in regard to phosphoric acid, and acid phosphate, and their chemical and other qualities and properties, I am confirmed, on full reflection, in the views and conclusions stated in my former decision in this case, and am of the opinion, that, in respect to such third claim, the substitution of phosphoric acid or acid phosphate, in the mixture referred to in such

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claim, in place of the acid named in Fowler's patent, was a mere formal and colorable alteration of Fowler's mixture, within the doctrine of *Seymour v. Osborne*, and not an invention, and not the subject of a patent.

At the hearing, it was admitted and proved, that the defendants had used what was substantially the same acid described in the plaintiffs' patent, mixed with an alkaline carbonate, as a substitute for leaven, in making bread from flour. It was, therefore, held, that they had infringed the fourth claim of the patent. The proper decree, therefore, is, that they have infringed the fourth claim, and that they account for the profits in consequence of their infringement of said fourth claim. Whether such infringement has taken place solely by a use of what is named in the fourth claim, irrespective of any selling by the defendants of the mixture claimed in the third claim, or whether such infringement has taken place, also, through sales by the defendants of such mixture, in connection with a use of it by the vendees, under the fourth claim, will be a question to arise on evidence to be given, on the accounting, as to the facts attending such sales, in connection with the use, by the vendees, of the things sold.

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BURTON MALLORY AND OTHERS. IN EQUITY.

A patent was granted to W., in 1867, (applied for in 1865,) with a claim identical with that contained in a patent granted, in 1864, to M. In a suit in equity, brought by W., against M., for infringing such claim, the answer of M. insisted on the validity of such claim in the patent to M.: *Held*, that M. could not, on the hearing, take the ground that the claim of the patent to W. did not claim patentable subject matter.

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The claim of the letters patent granted to Rodolphus L. Webb, December 31st, 1867, for "improvements in reversible locks and latches," namely, "The combination of a lock and latch, when the latch bolt and its operative mechanism are arranged in a case or frame independent of the main case, and constructed so that the latch bolt may be reversed, substantially as described, without removing the said independent case from the main case," is not open to the objection that it claims merely the combination of a lock and latch, and so claims merely the aggregation of two things which have no relation to each other, in performing their separate functions, and which are not patentable, as a combination.

The claim does not claim, as an invention, the combination of a lock with a latch, but claims a reversible latch, constructed as described, to be used in connection with, and enclosed by, the lock case.

Mere lapse of time, before an inventor applies for a patent for his invention, does not, *per se*, constitute an abandonment of the invention to the public.

The question of abandonment, whether in regard to the time prior to two years before the application for the patent, or to the time included in such two years, is a question of fact.

An inventor is not required to put his invention into public use before he applies for his patent.

Mere public use and sale of an invention, before a patent for it is applied for, does not invalidate the patent, unless the public use and sale were with the consent and allowance of the inventor.

(Before WOODRUFF and SHIPMAN, JJ., Connecticut, September 17th, 1872.)

WOODRUFF, J. The bill of complaint herein sets out a patent for "improvements in reversible locks and latches," granted, December 31st, 1867, to Rodolphus L. Webb, and by him assigned to the plaintiffs, May 12th, 1868, and alleges that the defendants have infringed, and are still infringing, that patent, by the manufacture and sale of locks and latches constructed, in substance, according to the invention patented. It prays an injunction and an account of profits.

The answer denies that Webb was the first inventor, and alleges that the defendant Burton Mallory was the first inventor of the said improvement, and that he obtained letters patent therefor June 7th, 1864. It admits that the defendants have made and sold reversible latches constructed in accordance with the said letters patent, and are intending to continue such manufacture, but denies that therein they infringe any rights of the complainants. By an amendment of

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the answer, the defendants further aver, that, if it shall appear that Webb was the first and original inventor of the reversible latch described in the letters patent issued to him, the said invention was, before his application for letters patent, abandoned, and no steps were taken by him to bring his invention into public use until after the said Burton Mallory had, by his original invention, discovered the said improvement and taken out letters patent therefor, and the defendants had, by their diligence, at large expense and great effort, given to the public the benefit of said invention, by placing the said improved latches on sale in the principal markets of the United States; that said Webb, for many months before his application for the letters patent issued to him, knowingly, and without objection, permitted said Mallory and the defendants to use the said invention, and to make and sell in the various markets of the United States large quantities of latches constructed according to said invention; that the complainants are, by reason thereof, estopped from asserting any right under the said letters patent, and from denying the right of the defendants to use the said invention; and that, by such abandonment, negligence and laches, the said Webb forfeited any right he otherwise might have had to the said letters patent, and the same are invalid and of no effect.

By this answer we are relieved of any necessity to examine the details of the invention, or to compare the two inventions of Webb and Mallory, to ascertain whether, if the patent held by the complainants be a valid patent, the defendants are infringers. The answer admits that they are using the invention for which the letters were granted to Webb, and their defence is an attempted justification of that use. We may, therefore, confine ourselves to the consideration of the justification thus set up by the defendants.

Some account of the improvement which constitutes the invention claimed may be necessary to make certain points urged upon our attention intelligible. Locks and latches were formerly made so permanently constructed and arranged that they could be used upon one edge of a door only. The catch

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or bolt of the latch being bevelled on one side, a latch that could be applied to a right hand door could not be used on a left hand door. Separate locks and latches must, therefore, be made, and purchasers must, before buying, assure themselves upon which edge or side of their doors the hinges would be placed. In practice this was found inconvenient, and mistakes were made in purchasing, or changes in the course of erecting houses, in the precise arrangement of doors, or in the swing thereof, gave great trouble. It was, therefore, very desirable to have locks and latches so constructed that the latch or bevelled catch could be readily, by a slight change of adjustment, reversed, whereby, whatever lock and latch was purchased, it could, at the option of the purchaser, be applied to the left or to the right hand edge of the door. Later experience also suggested, that, while it was desirable that the latch should be capable of such adjustment or reversal, either before or after the lock was inserted in or attached to the door, it ought not to be so left, when the whole was in complete order for use, that the latch could then be changed or reversed, because this would enable careless or mischievous persons to reverse it, or expose it to reversal by accident.

In general terms, the invention in question consists in enclosing the inner end of the latch, and the arms and hub, by means of which the latch is to be drawn back, in a thin case, so as to preserve their constant due adjustment, and placing that case within the main case of the lock, between the two plates thereof, so as readily to slide, between studs projecting from the surface of the main plate, a short distance forward and backward. In this condition of the parts, the thumb and finger, being applied to the bevelled end of the latch, readily pulls it forward, and, its inner end being round and fitted to its yoke within the small case by a knob or a swivel joint, it is turned around, and so may be adapted either to a right hand or left hand door. Being turned, it is pushed backward to its proper and permanent position. The insertion of the spindle on the ends of which the door knobs are placed, then

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holds the inner case with the tumbler or hub and yoke, with the latch also, firmly in place.

(1.) It is earnestly insisted, that the patent granted to Webb, on which alone the complainants rely, is void, upon facts that are not controverted or are clearly established, namely, that locks were common and latches were common, and locks combined with latches were common, long before the alleged invention of Webb, and that his letters patent purport to be for a combination merely; that, conceding that Webb's improved latch was new, he patented simply the combination of the latch with the lock, which was simply aggregating two things which had distinct and separate operation, each unaffected by the operation, or even the presence, of the other; that, in short, as there was no relation between them in the performance of their several functions, and no reciprocal action, they are not patentable as a combination; and that the complainants' patent is, therefore, void.

It may not be immaterial to observe, that no such defence is intimated in the answer of the defendants. Not only so, the answer itself, in connection with the production of the patent of Mallory, set up in the answer and there insisted upon as valid, impliedly asserts the validity of a patent for the very subject described and claimed to be secured thereby. It is allowing to the defendants very large liberty, to permit them to depart wholly from the ground taken in their answer as a defence, and that, too, when they set up, in their answer, a patent which is liable to the same criticism, and insist upon its validity, notwithstanding it be found that Webb was the first inventor. The claim in the patent to Mallory, set up in the answer, is in these words: "What I do claim as my invention, and new and useful, and desire to secure by letters patent, is the combination of a lock and latch, when the latch-bolt and its operative mechanism are arranged in a case or frame independent of the main case, and constructed so that the latch-bolt may be reversed, substantially as described, without removing the said independent case from the main case." The claim of the patentee Webb, as will be stated

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presently, is in very nearly the same, if not in the identical, words. The defendants have not, in their answer, thought proper to raise any question of the validity of such a claim. They assert their own title to the invention, and justify their use thereof upon grounds which import the validity of the claim in Mallory's patent. Now, on this hearing, the argument of the counsel reverses and contradicts the defence which the defendants have set up, under their own oath. The defendants are, for all the purposes of this case, bound by their answer. A departure from the defence therein alleged is not permitted in Courts of Chancery, where the complainant is entitled to call upon the defendant to answer under oath. The answer thus put in must be deemed and held to disclose the true and only defence which the defendants have to the allegations of the bill, and they are thereby concluded. It is with the issues thereby raised that the Court has to deal.

This case itself furnishes an illustration of the propriety of the rule. Let it be supposed that the defendants wholly fail to establish, by proofs, any of the defences set up in the answer, but the Court should be of opinion, upon the proofs, that the patent to Webb was void upon the grounds now, with great ingenuity and skill, urged by the defendants' counsel, and, for that reason, should decree a dismissal of the bill of complaint. The reasons for the decree, and the arguments urged by counsel, would not appear by the record. The record would indicate, that, upon the issues made by the answer, the defence therein was found and adjudged, when, in truth, the contrary was the fact. The decree would thus purport to establish that Mallory, and not Webb, had the prior right, when the Court made no such decision. The record would seem to establish what the defendants claim, namely, that the patentee, Webb, was not the prior inventor, or had, by his laches, lost his right to his patent, in favor of the defendants, who would thus be left to stand before the world holders of Mallory's patent, affirming its validity to secure to them a monopoly, when, in truth, they had, outside of and contrary to what the record discloses, obtained a de-

cision which was fatal to both patents. In short, the decision would be in conflict with the record.

Nevertheless, in view of what was claimed by counsel for the defendants, of the force and effect of certain other decisions of this Court, and their supposed influence upon the validity of Webb's patent, we have deemed it proper to consider the point, and to show that (irrespective of the objection that such defence or claim is a departure from, and inconsistent with, the answer) it has no real foundation.

(2.) The claim in the specification annexed to the patent of Webb, which is thus attacked, reads as follows: "What I claim, therefore and desire to secure by letters patent, is—The combination of a lock and latch, when the latch-bolt and its operative mechanism are arranged in a case or frame independent of the main case, and constructed so that the latch-bolt may be reversed, substantially as described, without removing the said independent case from the main case."

We are not inclined to depart from what was said in *Hailes v. Van Wormer*, (7 *Blatchf. C. C. R.*, 443,) and *Sarven v. Hall*, (9 *Id.* 524,) on the distinction between a patentable combination and a mere aggregation of old elements having no relation to each other, or any reciprocal or co-operative action to produce the result attained. But, claims should be read in connection with the specification itself, and read in the light gained therefrom; and it is proper to give such construction to the language employed as expresses the evident intention, if that may be done. It is manifest, from the whole specification and claim, that the inventor here had no idea of claiming a combination of a lock with a latch, as an invention. His specification shows, that the reversible latch, constructed as described, to be used in connection with, and enclosed by, the lock case, was the improvement which he had made. True, as a mere latch, it was immaterial whether the outer case had also within it the lock mechanism or not. Its presence or absence did not affect the operation of the latch, and, equally, the presence or absence of the improved latch did not affect the operation

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of the lock. Nevertheless, the improved latch was adapted to be used in the case of the lock, and the whole, as an aggregate, is mentioned; and the inventor declares, that, when such a latch as he has described is united with a lock by enclosure within the lock-case, as mentioned, it exhibits his invention. He might, no doubt, have claimed the improved reversible latch enclosed in any outer case. If that latch, in its construction, mode of operation, and arrangement for reversing, was new and useful, it was patentable, and his patent might have been more comprehensive than it now is. His patent is not to be held invalid because he only claims it when used in an outer case, containing also lock mechanism, if, in fact, his improvement was patentable; not even though there is no relation in the operation of the two, and no effect from the combination which either separately would not produce. Nothing in the cases cited forbids an inventor of a new device from taking a patent under a claim narrowed as closely as he sees fit, and, however much narrower than he might have claimed, the patent is valid.

We think, moreover, that the expression, in the claim, "the combination of a lock and latch," is not to be technically construed. The whole specification shows what the improvement was, and that the lock mechanism has no effect upon its operation. The terms used mean just what is meant by "a combined lock and latch," or "a united lock and latch," or "a lock and latch," when indicating a single article of manufacture or use. It is that aggregate structure, when it contains within the main case the special arrangement and mechanism which the inventor describes, that he claims as his invention. In a somewhat analogous view, any machine or structure may be claimed, when it contains a new device or devices which are described by the inventor as improvements. The claim is for the whole, as a whole, when and when only it contains the new devices. In a certain sense, the lock and latch have a relation to each other, the same relation that the frame of a machine has to the devices sustained thereby. Such device may be no more patentable in a frame of one

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description rather than another, but, if the patentee chooses to restrict himself to his new device when used in some special connection, he does no wrong to the public and violates no rule of law.

(3.) On the question of priority of invention, we cannot think it necessary to extend discussion. It is established, we think, by a very large preponderance of evidence. Indeed, there is little contradiction of the three witnesses who testify positively on the subject, two of whom have no interest in the controversy, and are wholly unimpeached. The contradicting witness is the same on whom the defence of abandonment of the invention almost solely depends, of whose credibility we shall have occasion to observe when treating of that subject. We think that no fair mind, weighing the evidence, can doubt that Webb made the invention in, or prior to, March, 1863, and that in that month it was perfected and embodied in a complete lock and latch fitted for use, or that Webb then deemed it a patentable invention, desired and expected to procure a patent therefor, and consulted Mr. Bliss, solicitor of patents, in order to obtain advice as to what was essential to preserve his right to such patent, exhibiting to him, at the time, his completed invention.

(4.) The remaining ground of the defence is, that the patentee, although the first inventor, by his neglect and his silence, while the defendant Mallory also perfected and put into use and on sale the same invention, is precluded from asserting his claim and has lost his right to the exclusive use of the invention. This ground of defence is exhibited in three forms: *First*, that Webb abandoned his invention to the public. (*Kendall v. Winsor*, 21 How., 322.) This, however, is not very strenuously insisted upon, nor is it very distinctly stated in the answer, doubtless, for the reason, that, if this be established, all the public may use it, and the defendants have no exclusive right under the patent of Mallory. The claim involves this concession, and the defendants would not probably seek an adjudication which establishes that Webb was the original and first inventor, but that his in-

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vention had, by his voluntary act, become public property. Consideration of the proofs will, nevertheless, include this point, as well as the next, namely—*Second*, that Webb voluntarily abandoned the invention as useless; that, although his experiment proceeded so far as, in fact, to produce the device or structure, yet he deemed it of no value, or, at least, so treated it, and, by his conduct, placed it upon the footing of an abandoned experiment; and that, therefore, it in no wise stood in the way of Mallory, who himself made the same invention, procured a patent therefor, and put it into public use and on sale, so that the public derived the benefit of the use of the invention. Thus viewed, the case is supposed to come within the rule held in *Gayler v. Wilder*, (10 How., 477)—and *Third*, that the neglect of Webb to apply for a patent, and his silence while Mallory perfected his invention and put it into public use and on sale, and sold it extensively, ought, in equity, to estop Webb and the complainants, his assignees, from asserting the priority of the invention, and claiming the exclusive right which a valid patent would secure to them.

It appears, by the proofs, that the invention of Webb was complete, and actually embodied in a practical lock and latch, as early as the last week in March, 1863. His application for a patent was made on the 21st of March, 1865. This is the interval, and the only interval, of time within which the conduct of Webb is to be considered with reference to either of the above propositions included in this branch of the defence. The question of abandonment, in either view above suggested, is a question of fact, and to be determined by the evidence. Lapse of time does not, *per se*, constitute abandonment. It may be a circumstance to be considered. The circumstances of the case, other than mere lapse of time, almost always give complexion to delay, and either excuse it or give it conclusive effect. The statute has made contemporaneous public use, with the consent and allowance of the inventor, a bar, when it exceeds two years. But, in the absence of that, and of any other colorable circumstances, we know of no mere period of delay which ought, *per se*, to deprive an inventor of his patent.

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As it respects abandonment to the public, the argument that such was the intention of the inventor would have been much stronger, if, after perfecting his invention, he had proceeded publicly to make and sell the same, and voluntarily placed it in public use, accessible and available to any who chose to buy and use, for nearly two years before he made any application for a patent. The argument here pressed upon us, that Webb did not intend to secure any exclusive right, or did not esteem the right of any value, or that he abandoned such right to the public, would, in such case, have been impressive; and yet the express terms of the statute secure to the inventor this interval, in which he may, if he please, test the usefulness and the value of his invention, by putting it into use and on sale, without being thereby barred of his patent, and it necessarily follows, that, from the mere lapse of the period mentioned, no inference of abandonment arises.

If the matter be brought to the test of actual design and purpose, either to abandon the invention to the public, or to cast it aside as a useless invention or unsuccessful experiment, the proof seems to us to establish very clearly the contrary. Webb's continuous or repeated declarations, testified to by himself and by the solicitor of patents to whom he applied for advice, his claim to priority of invention when he heard that Mallory was manufacturing a similar lock and latch, his offers to sell his invention to others, indicate, that, in his mind, there was no purpose to forego the right which belonged to him as inventor, nor any conclusion that the invention should be abandoned. The purpose declared by him to the solicitor of patents, when he had first perfected his latch, he never relinquished. It is, no doubt, true, that, although receiving but a moderate salary for the support of himself and family, he could easily have procured means to pay the expense of taking out a patent. His sale of the patent for a second invention would have enabled him to do this, as he is not shown to have been in debt. But, it is plain what his purpose was, in delaying his application. He did not propose to himself engage in business as a manufacturer. He had not means

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for such an undertaking. The profits of his ingenuity he expected to realize by negotiation with others who were or should become manufacturers. His delay was, therefore, that he might, perchance, find some one to purchase, or might test the utility and value of his invention by submitting it to the appreciation of those who, being engaged in the manufacture and sale of locks, could better judge of its value than he could himself.

We find no reason for concluding that, when, by express enactment, an inventor may have two years of trial in the public markets, putting his invention in use and on sale, and yet be entitled to a patent, he may not, also, have the like period, at least, within which to offer his right as inventor to others, submit the invention to that test of its usefulness and value, and still be entitled to his patent. The lapse of two years is not the test of his right in this respect, nor is the lapse of any specified period conclusive. The law does not declare within what period after the invention a patent must be applied for, or that it must be applied for within any specified time. We do not mean, that an abandonment to the public may not be made, or that an invention may not be given up and abandoned, as a useless or unsuccessful experiment, within less than two years. No particular time is necessary, but the fact must be proved, and the lapse of two years does not establish it. There may be sufficient reasons why a delay of a much greater number of years will not so operate. On the question of abandonment, in either aspect, time and circumstances, the acts and contemporaneous declarations of the party, are all to be considered.

We have here the positive testimony of the inventor. We have his declarations to others. We have his taking advice on the effect of delay. We have his effort to recover his model or original of his invention, and his final sale of his right as inventor. Laying out of view, for the moment, the testimony of a single witness, there is no act or declaration of the inventor, down to the application for the patent, which is not in harmony with, or which does not confirm, the unequiv-

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ocal testimony, that there was at no time any design or purpose to forego his right as the inventor of the lock and latch in question. Of that witness we observe, that his testimony tends strongly to show that Webb abandoned this invention as a thing of no value, took to pieces the lock he had constructed in conformity with it, addressed himself to the construction or invention of some other device to accomplish the desired result, satisfied that what he had before done failed to accomplish it in a useful manner, used the parts of his first constructed lock in and toward his further and second invention, left such of the parts as could not be adapted to such second invention to go to waste as rubbish, and thenceforward entertained no idea of using or patenting such first invention, until he learned that Mallory had brought the same invention into use and put it upon sale. This witness is contradicted in all the material parts of this statement, and in the inference sought to be drawn therefrom, by more than three witnesses, none of whom are impeached otherwise than by his contradiction. True, Webb left the newly-invented lock and latch in the shop of Parkers & Whipple, where he was employed when he invented it. He declares that it was so left by oversight or forgetfulness at the time of his removal; and three persons testify to the distinct declarations of the witness above referred to—one of the proprietors of the shop, John A. Parker—that long afterwards he had that lock and latch in his possession, and two of them testify to his refusal to give it up. These declarations were made on several occasions, and, as to two of the persons, (Webb and an officer of the plaintiffs), on their separate personal application to him for the lock, at about the time when a patent was to be applied for. On the question of the time when the lock was invented, he is, in like manner, contradicted by three witnesses, who are clear and distinct in their testimony. We do not think it necessary to indulge in conjecture as to the motive of this witness to misrepresent, or to consider whether it be possible that he has persuaded himself that what he testified was true, or whether by any means he has been led into a mistaken

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belief as to the facts. It is sufficient, that, upon the testimony in conflict with his statement, we are constrained to say that it would be wholly unsafe and improper to rest any conclusion in this case upon what he testified.

It follows, we think, that the proofs wholly repel any idea of abandonment of this invention by the inventor, in either sense claimed by the defendants, and show, on the contrary, a continuous claim to be the first inventor, a purpose to secure a patent for the invention, and some appreciation of its usefulness and value, though, no doubt, according to the results now shown, that appreciation was greatly inadequate.

Much that has been already said is pertinent to the third claim above stated, to wit, that, by withholding his application for a patent, and by his silence, not putting his invention into actual public use for nearly two years prior to such application, Mallory meanwhile having made the same invention, and put the same on sale, Webb and his assignees are estopped. Permission to put an invention in public use for two years prior to the application, does not make it the duty of the inventor to do so for that or any other period before he applies. Prior to the Act of March 3d, 1839, (5 *U. S. Stat. at Large*, 354, § 7,) such public use, with the consent and allowance of the inventor, destroyed his right to a patent. That Act relieves the inventor from the danger of such a forfeiture, and that is all. The question of estoppel, now urged, stands, therefore, upon the same footing as if that Act had not been passed. Is it, then, true, that an inventor, who makes no secret of his invention, cherishes and declares his purpose to procure a patent therefor, exhibits it to those who, being engaged in manufacturing articles of a similar kind, are competent to judge of its value, in the hope that they may be disposed to purchase, he himself being in no situation, and having no means, to engage in manufacturing—is an inventor, we ask, in these circumstances, estopped to assert a right to the invention, and to claim a patent, because his application is not made until nearly two years have elapsed? Here was no bad faith, no voluntary acquiescence in the manufacture

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and sale by others. For, the proof shows, that, when he learned that Mallory was making and selling the same lock and latch, he asserted his prior right, and, in a reasonable time thereafter, applied for the patent. The provision of the law of July 4th, 1836, (5 *U. S. Stat. at Large*, 119, § 6,) which made public use and sale no impediment to the granting of a patent, and no defence to an infringer, unless it was by the consent and allowance of the inventor, shows that such facts create no estoppel invalidating his patent when granted. Apart from the question of abandonment, the mere fact that, prior to the application for the patent, some one has obtained knowledge of the invention, and placed the thing invented on sale, whether innocently or fraudulently, does not cut off the prior right. True, the patentee cannot claim damages or profits arising before his patent is granted or applied for; but, he comes to these defendants now, as he would to any party who, in ignorance, in fact, of the existence of any patent, had engaged in the manufacture, and says: "From and after the date of my patent you were bound to take notice of my rights. They were claimed, and my claim was of record in the Patent Office. Thenceforward, the manufacture of the patented lock and latch was an infringement of my rights. For what you had done before, you are not and cannot be pursued, but *then* you were bound to refrain from further manufacture." No equity beyond this can be urged in favor of such prior manufacturer; and the circumstance that he was also, in fact, an original inventor, and believed himself to be the first inventor, does not affect the question. He is in no better situation than one who ignorantly and innocently supposed that the invention was open to the public.

These considerations lead us to conclude that the complainants are entitled to the decree prayed for in their bill.

C. E. Mitchell and *Benjamin F. Thurston*, for the plaintiffs.

Charles F. Blake and *Charles R. Ingersoll*, for the defendants.

The America.

THE AMERICA.

A collision occurred in the East river, between a steamboat bound from the Wallabout to the North river, and a ferry-boat crossing from New York to Brooklyn, on the Fulton ferry route: *Held*, on the facts, that the ferry-boat was solely in fault.

Although, at the time, the steamboat was in the sole charge of her pilot and the assistant engineer, and her master and engineer, and the rest of the hands, were in the cabin, at supper, and such inattention was inexcusable, yet it did not contribute to the collision.

The two vessels approached each other so nearly end on, as to require each to keep to the right. The steamboat did so, and the ferry-boat did not.

A vigilant lookout on ferry-boats crossing the East river is required.

(Before WOODRUFF, J., Southern District of New York, September 23d, 1872.)

WOODRUFF, J. It cannot be denied that it was unsafe and improper, on the part of the captain, engineer and hands employed on the vessel of the libellants, the steamboat *Fairfield*, to leave her in sole charge of the pilot and assistant to the engineer, at the time they went to their supper. She had been at the Wallabout, on the southerly or Brooklyn side of the East river, had left her tow, and had come thence out into the river, and swung around, taking her course down the river, to go around the Battery, to her slip on the North river. It was about five o'clock in the evening, on the 13th of December, 1866. The sun had set, and it was nearly dark, though the shores and objects at a considerable distance were still visible. The *Fairfield* was about to pass through a channel crossed by numerous ferry-boats, and ordinarily travelled by other craft, rendering it especially important that more than ordinary watchfulness and competent skill in navigation should be in constant exercise. That, in these circumstances, no lookout should be stationed, and the captain should relinquish all attention to the navigation of the vessel, and, with all hands other than the two above named, go to the cabin for supper, was extraordinary, and, as I think, inexcusable. Nev-

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ertheless, if this inattention on their part in no wise contributed to the collision, if, in fact, the pilot saw all that was material, which he could have seen, or of which he could have been informed, had a proper lookout been stationed, and others had been on duty, then the question ceases to be affected by the want of a lookout, &c., and becomes simply a question of proper navigation, in view of what the pilot saw and knew of the presence and course of the ferry-boat with which the collision occurred.

The ferry-boat, the *America*, came from her slip at the foot of Fulton street on the New York side, bound upwards and across the river to her Brooklyn slip. The tide was ebb and running very strongly down the river, and, in order to make her passage with facility, it was necessary for her to swing around to port, on a starboard helm, head up the river against the tide, go above her Brooklyn slip, and then port her helm, and swing into her slip. According to the testimony of the witnesses she made a course, by this means, well described by the letter S, in which she would travel, at first, across, and more than half across, the river, swinging upwards, and then inclining towards the New York side, preparatory to her last manœuvre, of swinging into her Brooklyn slip.

The pilot of the steamboat, the *Fairfield*, saw her from the moment she came out of the slip, and watched her movements continuously to the moment of collision. If he had had the assistance of one or many on the lookout, he could not have been sooner apprised of her approach, and he conducted the navigation of the *Fairfield* with all the information they could have given him, and with the ferry-boat in full view. The responsibility of this navigation was upon him. He controlled the movement of the *Fairfield*, while the man in charge of the engine promptly obeyed his instructions, and slowed, stopped and backed at his signal. I cannot, therefore, discover that the absence of the lookout contributed, in any degree, to deprive him of information, or that his management of the *Fairfield* was in any manner affected by the ab-

sence of the others, master or crew, at their supper, until the danger of collision was imminent.

The question on the part of the libellants is, therefore, whether the *Fairfield* was, in fact, skilfully and properly navigated, with the ferry-boat in full view, and, on the other hand, whether there was fault in the navigation of the ferry-boat. To determine this, it is important to ascertain the location of the two vessels at the time when it became the duty of one or both to take measures to insure safety.

The testimony of the pilot of the *Fairfield*, corroborated by the testimony of the master and crew as to her course and location, both when they went to, and when they returned from, the cabin, is distinct and unqualified, that she was coming down nearly in the middle of the river. This is, also, her probable course, when her destination is considered, she being bound around the Battery to reach her slip. She, coming from the Wallabout, and taking her course down the river, would be under a temptation to incline towards the New York shore, and the witnesses on her part all state that such was her inclination. Some of them clearly exaggerate that inclination, but on the fact they are all agreed. This is denied by the witnesses from the ferry-boat. They say that the *Fairfield* was, when they saw her, on a course tending towards the Brooklyn shore, and some of them represent her as coming from the foot of Market street, on the New York side, obliquely, across the river, towards Brooklyn, near the very slip to which the ferry-boat was bound—in itself, not only in conflict with the witnesses from the *Fairfield*, but a most improbable story, and yet easily accounted for without imputing intentional misstatement to any one. In the first place, the witnesses on the *Fairfield* know, better than the others could know, her destination and her course. Next, in the obscurity of the evening twilight, observation from the ferry-boat is far less reliable than it would be if made in open day. Again, the witnesses from the ferry-boat did not see the *Fairfield* until the former had passed out into the river and swung around, so as to be headed up the river, still under

a starboard helm, or at about the time her helm was steadied on her course upward. In the making of this movement, to all eyes on the ferry-boat the Fairfield would seem to be on a reverse course, and, especially at that time, and in so imperfect a light, the Fairfield would seem to be moving from them, in the opposite direction. Very great precision is rarely found in the statements of witnesses on either side, in cases of this description, and the imperfect light may have made the estimates of the witnesses from the Fairfield in some degree inaccurate, but their statements are not overcome by the observations from the ferry-boat, under circumstances so clearly adapted to deceive the observers, and when the admitted movements of the ferry-boat would easily produce the impression to which they testify, and yet be in perfect harmony with the fact, as stated by the libellants' witnesses. It is, also, true, that the testimony as to the distance of the place of collision from the Brooklyn shore is in conflict, and yet a small allowance, due to the prejudice of the witnesses attached to either vessel, and, as to passengers, due to their observation, in which the motion of the ferry-boat was imputed to the Fairfield, leading them to the belief that the latter was moving in the direction of Brooklyn, removes this conflict from any great embarrassment. That the Fairfield was slowed, stopped and backed on the instant that the danger of collision rendered that proper, is very clearly proved.

A main fact, which a just view of all the testimony seems to me to establish, furnishes to my mind the test of the responsibility for the collision; and this fact is not only supported by the witnesses for the libellants, as I have above stated, but is corroborated, not, perhaps, by the claimants' witnesses to their observation on the course of the Fairfield, but by their testimony to the course of their own boat. The fact is this. At the time when the two vessels gained such a position that precautions to pass each other in safety were proper, they were approaching each other so nearly end on, that the rule that each should keep to the right of the other applied to them.

Whatever be the rule respecting the duty of ferry-boats to keep a lookout from the forward deck, one thing is certain, that, in the navigation across this crowded channel, a most vigilant lookout from some place on the boat is required, and I can hardly conceive of any navigation in which, in view of the interests of life and property, and the dangers of inadvertence, it is more imperatively demanded. It is, also, clear, upon the proofs here, that the two men who are claimed to have acted as lookouts on the bow of the ferry-boat were wholly useless as such. They might as well have been in the cabin. They saw the *Fairfield*, it is true, before the collision, but made no report of her approach. Whether they even saw her before she was seen by the pilot, who was engaged in directing the boat out of her slip and into the river, and bringing her around to her course up the river, is, at least, doubtful, and, if they did, they gave no notice.

It is, also, apparent, that the pilot himself did not see the *Fairfield* until he had accomplished all the manœuvres last stated, and was near to the *Fairfield*, nor until she had obeyed the rule which, in the judgment of her pilot, required him to pass to the right, or port to port of the two vessels.

The pilot of the ferry-boat was attentive to the endeavor to stem the strong ebb tide, and reach a point up the river at which he should make his final sheer into his slip, and he failed to discover the *Fairfield*, and learn her actual course and movement, so soon as it was the duty of either himself or some one who should inform him. He heard the one whistle of the *Fairfield*, but he was not at liberty to await that whistle, when the boats were approaching, as I think they were, so that each should keep to the right. This is easily accounted for. It was of importance to the ferry-boat that she should be kept up the river far enough, against the strong ebb tide, to enable her to swing readily around, so as not to strike below her slip. He was under a strong motive not to turn too soon to accomplish an entrance to his slip. Either because he did not see the *Fairfield*, and learn her true course, soon enough, or because he mistakenly persisted too long in keep-

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ing the ferry-boat up against the tide, he did not port his helm so soon as he ought. He did not do so till after the Fairfield had turned to the right, nor until, after that, she warned him, by her whistle, that she was acting in conformity with the rule which he also was bound to observe without such warning.

I cannot resist the conclusion, that the collision was due to the want of proper and seasonable observation on board the ferry-boat, to imperfect and mistaken observation when made in the dim twilight, to mistake, in imputing to the Fairfield an apparent motion due to the actual movement of the ferry-boat, to an over-anxiety to gain a distance up the river against the tide, to enable the ferry-boat easily to enter her slip, and, finally, to a neglect, from whatever cause, to turn to the right, as it was the duty of the ferry-boat to do, to avoid collision.

These conclusions necessarily require that the libellants have a decree, to recover their damages and costs, and a reference to compute such damages must be ordered. (3 *Benedict*, 424.)

Charles Donohue, for the libellants.

Benjamin D. Silliman, for the claimants.

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A libel was filed, in the District Court, against a vessel. D. appeared, and filed a claim to the vessel, as owner, and, with E. and M., as sureties, gave a bond for the value of the vessel, and she was released. D. answered the libel, putting in a defence. Afterwards, and before the trial, D. died. No notice was taken of his death. The trial was had, counsel appearing for D. A final decree was rendered against the vessel, and a summary judgment against D., E. and M. An appeal to this Court was taken, on behalf of D., the sureties on the bond for a stay being E. and M. The District Court was not advised of the death of D., although his proctors knew of it. No letters of administration on the estate of D. were taken out, until after such final decree was en-

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tered. On the trial in this Court, counsel appeared for D., as appellant, and urged, as ground for a reversal of the decree, that, by the death of D., the suit abated, and the decree against him was erroneous: *Held*, that the suit did not abate by the death of D.

Whether the appeal was properly taken in the name of D., after his death, *quere*.

This Court, in decreasing, on the merits, for the appellee, ordered that the death of D. be suggested, and that the judgment be against E. and M.

Want of authority, in a discharged master of a vessel, to contract for her towage, considered.

Notice to the towing vessel, of such want of authority, considered.

Want of authority to contract, on behalf of the towed vessel, that the risks of the towage should not be borne by the towing vessel, considered.

Negligence in towing a vessel into a field of ice, and then leaving her to become a total loss, considered.

A total loss held to have been established by proof; but, the fact that the answer did not deny the allegation, in the libel, of a total loss, and substantially admitted one, would supply the place of absent proof.

The Commissioner's report as to the value of the lost vessel not disturbed, where there was conflicting evidence.

(Before WOODRUFF, J., Southern District of New York, September 23d, 1872.)

WOODRUFF, J. These two appeals were heard together, as they were tried below, (3 *Benedict*, 248,) upon like pleadings, and upon the same proofs, and the decision of the one necessarily determines the right of recovery in the other. The libellants in the first case were the owners of a cargo of coal, laden on board the canal boat or barge called the *Arctic*, and the libellant in the second case was the owner of the barge itself. The libels allege, that, on or about the 27th of December, 1867, the barge, having the coal on board, was lying at Newburgh, in a safe and convenient place, and that the steam tug James A. Wright, by its agents and servants, against the wish of the libellants, and without authority, although forbidden to do so, took the said barge, with her cargo, away from Newburgh, and attempted to tow her to New York; and that, in doing so, the said barge, and her said cargo, by the fault, negligence, and want of care of those on the said tug, became wholly lost to the libellants. The steam tug having, on the filing of the libels, been attached, and the monition having been served, Silas A. Dakin, alleging himself to be sole

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owner, appeared and claimed the steam tug. He, with James T. Easton and James McMahon, gave a bond for the value of the tug, and she was released from custody, and was afterwards sold and sent from the United States. Dakin, as claimant, put in answers to the libels. The answers do not deny the total loss of the barge Arctic and her cargo, but deny that the barge was taken in tow against the will of the libellants, or without authority, and deny that they were "lost to the said libellants by the fault, negligence, and want of care of the persons on the tug, but aver that the same were lost in the manner set forth in the answer," which is, in substance, as follows: that, on the 27th of December, 1867, the master and person in command, and who exercised control over the navigation, of the barge, desired to have her towed by the claimant; that the claimant endeavored to dissuade him from so doing, by informing him of the danger of the navigation; that such master made fast his line to another barge there lying, ready to be towed by the Wright, and, notwithstanding the claimant told him he would not tow him, and told him to take off his line, persisted, declaring that, as the claimant had agreed to tow him down, he would not take off his line; that the claimant thereupon told him, that, if he persisted in holding on to the tow, he must understand that the claimant would not be responsible for his boat and cargo, but that he must take all the chances and risk of the ice in the river; that, after this, the claimant told him to take off his line and make it fast to the dock, but the said master refused to fasten his line to the dock, and said he would take all the risk of ice in the river; that the claimant proceeded in his voyage most carefully, feeling his way through the ice; and that the Arctic lightly struck a field or piece of ice, which caused her to leak some, and, not having a proper pump, she slowly filled, and, although every effort was made to save her, on the part of the claimant, she sank in the flat of the river.

About one year after the answer was put in, Dakin, the claimant, died. No notice was taken of his death, and the cause was thereafter, in March, 1869, brought to trial, at which

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the proctors and counsel for the claimant attended. Proofs were taken at great length, on both sides. The fact of the death of the claimant was not called to the attention of the Court, nor was any question made that the cause did not proceed legally and regularly to the decree, which adjudged the tug-boat liable, and directed a reference to compute damages. On the coming in of the report, exceptions thereto being argued, a final decree was entered. Thereupon, the proctors of the claimant gave the usual notice, declaring that the "claimant" thereby appealed to the Circuit Court, &c.; and the former stipulators, Easton and McMahon, gave the usual bond for the damages and costs, to stay the proceedings. In all this, no notice was taken of the death of Dakin, though it is apparent, from the record, that it was known to his proctors; and it now further appears, that, during the pendency of the suit in the District Court, and until after the final decree therein, there were no letters of administration on his estate taken out.

On the appeal to this Court, the suit was again brought to trial, and has been fully heard, counsel appearing professedly for the claimant, as appellant, and counsel for the libellants.

(1.) The point first to be considered, now, on this appeal, urged, as ground for reversing the decree of the District Court, is, that, by the death of the claimant, the suit abated, and that it was error to proceed therein to a final decree, without calling in the representatives of the deceased. On that subject, I must follow the declaration of the Supreme Court, in *Penhallow v. Doane's Adm'r*, (3 Dallas, 54,) that, in proceedings *in rem*, in Admiralty, the death of a claimant does not abate the suit, nor render a subsequent decree therein erroneous. I deem it unnecessary, after that declaration, to discuss the question at length, but, numerous cases relating to the nature of such proceedings, and their conclusiveness as to all persons who do not intervene for the protection of their interest in the *rem* proceeded against, and relating to the substituted security which, when a discharge of the attached

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vessel is obtained, stands in Court in lieu thereof, tend to the same conclusion. The vessel is the defendant. All the world must take notice, at their peril, that condemnation is sought. All having an interest may intervene, and if, by death, or otherwise, an interest is transmitted or devolved upon persons not previously entitled to intervene, it is for them to protect their own interest, by applying to the Court for that purpose. The libellant should not be affected by their neglect. There is no more reason why he should take notice of a change of interest, than that he should originally have made the owner of the vessel a party to the suit. Until some counter utterance from the Supreme Court, I must hold, that the libellants rightfully proceeded to trial and decree, and that therein is no error. It was suggested, that the decision referred to was made prior to the Act of September 24th, 1789, and that that Act (1 *U. S. Stat. at Large*, 90, § 31,) establishes a different rule. Not so. The section referred to does not at all relate to or affect suits in Admiralty, and the Court, in the case cited, plainly announce a general rule, applicable to such suits.

I do not, however, think it clear, that the appeal to this Court was properly brought. In that, the deceased claimant is put forward as an actor, seeking the aid of this Court, to avoid the decree of the District Court. Had the libellants seen fit to move this Court to dismiss the ostensible appeal, the question would have been presented; and, if the argument now urged by the proctor for the deceased has any force, it might, perhaps, have resulted in dismissing the proceeding from this Court, and in leaving the decree as it now stands in the District Court. Whether a deceased claimant can appeal, is a question that has not been argued, and is now not material, except perhaps to determine whether this Court ought to examine the case on the merits, or dispose of the matter without such examination.

(2.) Notwithstanding the question last above suggested, I have thought it probable, that, in any event, the parties in interest would desire to know my conclusions upon the other

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questions raised, which include the merits of the controversy. Those conclusions are :

1st. That Dodge, the alleged master of the barge Arctic, had been discharged, had no authority to employ the tug boat, and could give to her owners no warrant or excuse for removing her from the place of safety where she lay. Notwithstanding his testimony, the direct testimony in contradiction, and his own conduct and admissions, satisfy me that no such authority was given him.

2d. That Dakin, the master of the tug, was informed of the want of authority in Dodge, and was notified by the person to whose care the barge had been committed, not to remove her. Had there, therefore, been any apparent authority in Dodge, arising from the facts that he had once had control of the barge, and then occupied her cabin as a sleeping room, (of which facts, however, it does not appear that the master of the tug had any knowledge), the notice given was enough to put the master of the tug to enquiry, and, when he accepted the declaration of Dodge, and bargained with him to tow the barge, he acted at his peril.

3d. Taking the authority of Dodge to have been given him in the very terms stated by him, on which the counsel for the nominal appellant relies, it did not warrant the extraordinary agreement which it is alleged was made. Without dwelling on what is claimed by the owners to be a most exorbitant and unreasonable stipulation as to the price for the towage, he was not authorized to relieve the tug-boat from the rules of towage, nor had the master of the tug any ground for the assumption that he had any such authority.

4th. Independent of the question of negligence, in towing the barge into a field of ice, and subjecting her to injury, without any care, painstaking or precaution at the time of her greatest peril, it is not shown that it was necessary to leave her, where she was left after she received her injury, to drift off and become a total loss.

5th. There is nothing in the claim made, on this appeal, that the libellants were bound to make further efforts to find

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and raise the barge. Some of the testimony which appears in the case may not have been admissible, had objection been made, but enough appears, I think, to establish a total loss. If there was less proof, it is not material, since, as already stated, a total loss is alleged in the libels, and is not only not denied, but the terms of the answers quite plainly admit it.

6th. Upon the conflicting evidence in regard to the value of the barge, there is no sufficient ground for saying that the Commissioner's report is not warranted by the proofs. There were estimates of her value greatly in excess of the amount reported, and there were some that were greatly less. It is not a case in which his conclusion from all the testimony should be disturbed.

Upon the merits, I have no hesitation in saying that the decree of condemnation was proper, and that the libellants are entitled to a like decree in this Court, awarding them the amount of such decree, with interest and costs, unless counsel desire to be heard on the question, above suggested, whether the appeal to this Court ought not to be dismissed. Had the attention of the District Court been called to the fact that Dakin, one of the bondsmen on whose stipulation for value the vessel was released, had died, that Court would, probably, have ordered summary judgment against the survivors only. The decree is, probably, invalid as to the deceased, and, if so, was not prejudicial to any one. The survivors, certainly, are not prejudiced thereby. But, the summary judgment in this Court should contain a suggestion of the death of Dakin, and be entered against the other stipulators.

Oliver P. Buel, for the libellants.

Dennis McMahon, for the claimant.

The Martin Wyncoop.

THE MARTIN WYNCOOP.

Where a libel, *in rem*, for a collision, alleged, that the collision occurred because the vessel sued shifted her helm from starboard to port, and it was not clear, on the evidence, that that was the fact, but the libel also alleged that the vessel sued could easily have avoided the collision, but was so negligently and carelessly navigated, that she ran into the other vessel, which was lying disabled, and the evidence sustained such allegation: *Held*, that the failure to prove the alleged mode in which the collision occurred was no ground for refusing a decree to the libellants.

(Before WOODRUFF, J., Southern District of New York, September 23d, 1872.)

WOODRUFF, J. I concur in the conclusion of the learned District Judge, by whom, more than nineteen years ago, this case was decided. The libellants' schooner was suddenly disabled, and, while, with all diligence, her captain and crew were making the necessary repair, by which alone the schooner could be steered, the vessel meantime lying with her head to the wind, and with little or any motion, except with the current, the sloop, the Martin Wyncoop, having a range of the whole breadth of the North river, nearly three miles at the point in question, ran into her, and caused the damage for which recovery herein was sought. I cannot find that the schooner or her crew omitted any practicable and reasonable precaution to prevent the collision, or that they did anything which contributed thereto; and, that the sloop had abundance of time and opportunity to see and avoid the schooner, is most palpable.

It is, however, most urgently insisted, that the decree should be reversed, because the precise mode in which the vessels were brought together, as stated in the libel, is not confirmed by the proofs; that is to say, that it is stated in the libel, that the sloop had her tiller to starboard, and would have cleared, and was, in fact, clearing the schooner, when her tiller was shifted to port, and she was thereby directed

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and navigated into the schooner. It is claimed, that not only the positive testimony, but the manner in which the blow was given and received, disproves this allegation.

There is, no doubt, some difficulty, upon the proofs, to explain precisely how the two vessels got into the position in which they were at the moment of the blow, that is, star-board bow to starboard bow, for that is the preponderance of the evidence. But, the allegation in the libel relates to the time when the danger was imminent, when those on board the schooner had actually hailed the on-coming sloop, when, as I think, for want of a proper lookout on the sloop, she had got herself in too near proximity to the schooner, and when, whether it is true that she ported her helm, or, in the excitement of the peril, neglected to keep off sufficiently, ought not to be made the test of the right of recovery. The substantial fact stated in the libel, that, at a time when, at such distance from the schooner that she could easily have passed on either side of her, she was so negligently and carelessly navigated that she ran into her, is, I think, fully proved. On that ground the libellants should have a decree, for the amount decreed below, with interest and costs.

Charles Donohue, for the libellants.

Robert D. Benedict, for the claimants.

THE EXCHANGE.

Observations as to the navigation of ferry-boats on the ferries between New York and Brooklyn, and of other vessels with reference to such ferry-boats, and as to their reciprocal rights and duties.

A vessel anchored, in the afternoon, in the track of one of such ferries. She was requested, by the ferry boats, to remove, but did not. In the night, a fog arose. The vessel used no audible means to give notice where she was, and a ferry boat, using all caution, and giving proper audible signals, collided with the vessel, and damaged her. On a libel by her owner, against the ferry-

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boat: *Held*, (1.) That the vessel should not have anchored where she did; (2.) That she should, on request, have changed her anchorage; (3.) That she was in fault, in giving no audible signals; (4.) That the ferry-boat was not in fault.

(Before WOODRUFF, J., Southern District of New York, September 23d, 1872.)

WOODRUFF, J. The libel herein was, I think, properly dismissed, upon either of several grounds, involving fault in the bark Ellingwood, the libellants' vessel, injured by the collision with the Exchange, and also on the ground, irrespective of fault in the bark, that the Exchange was itself free from fault.

It is true, that, having respect only to the private interests and merely personal rights of the parties, the law has no favorites. Owners of ferry-boats have not, in their own behalf, any exclusive privileges of navigation over owners of other vessels. But it does not follow that the business of running a ferry between two crowded cities, where tens of thousands of persons pass and repass daily, and must necessarily pass at all hours of the day, and in all weather, is not governed by rules which, on the one hand, involve more stringent responsibility for care, vigilance, and caution, and, on the other, secure to them more than ordinary diligence on the part of others, for their protection. The ferries between New York and Brooklyn are a public necessity. Their managers are, more than ordinary carriers, either of freight or passengers, public servants. The public are especially interested in the good management and safe conduct of these ferries. Hence, they are largely under the control of the authorities of the State and city.

It is not necessary to hold, that, from this, results such an exclusive privilege, that the interests of commerce are to be disregarded, or that navigation is to be unnecessarily hindered. So far as possible, the running of the ferry-boats, and the navigation of the river by ordinary boats and vessels, are to be harmonized, so that neither may impede the other. But, by so much as the protection of large numbers of human lives,

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the prosecution of the daily business, and even the maintenance and support, of large numbers, cast upon the managers of the ferries the duty to be prompt, regular, active, vigilant, and careful, by so much, the same considerations cast upon others the duty of abstaining from whatever will make the management of the ferry needlessly difficult or dangerous.

If the time shall hereafter arrive when the number of ferries required between the two cities, and the number of boats to be run thereon, shall be so great, that safe anchorage ground in the river, where they cross, cannot be found, without interrupting the ferries, or rendering passage thereon dangerous, then the enquiry will arise, whether vessels engaged in ordinary navigation must not seek other anchorage; and that enquiry will arise, not as a mere question of abstract private right, it will not be determined out of any especial regard to ferry managers, in their merely private interests, but it will be a question of public interest. At present, it is sufficient to say, that, while the river is a great national highway, and is open to navigation by all, all who navigate it are bound to have respect, not merely to the ordinary rights of others, but to consider the nature of the business of such others, and the exigencies which that business involves.

Without affirming, and, certainly, without denying, the validity of the State and city legislation, designed for the protection of the lives and safety of passengers on the ferries, and intended to facilitate the conduct of business so important not only to both cities, but to the country having business intercourse with those cities, it is obvious, that that legislation rests upon the principles above stated, and those principles are to be recognized and applied, whether such legislation is valid or not.

In the present case, it is shown, that the bark *Ellingwood*, the vessel of the libellants, bound for the foot of 21st street in the North river, came up from below, in the afternoon of the 6th of December, 1864; and that, instead of going up the North river, to her destination, she came up the East river,

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and, between five and six o'clock in the afternoon, anchored in the East river, in, or very nearly in, the track of the ferry between Wall street, New York, and Montague street, Brooklyn. The evening was clear, and she was seen and twice successively hailed from the ferry-boats, informed that she was in the track of the ferry, and requested to remove to anchorage ground lower down, out of the way of the ferry-boats. No attention was paid to the request. The ferry-boats succeeded in avoiding her during the evening. But, in the morning, when the ferry-boats resumed their usual trips, a dense fog was over the river, and, notwithstanding the most painstaking vigilance, the most careful lookout, and the constant giving of signals by the ferry-boat, the ferry-boat Exchange came in contact with the bark, doing some damage, for which her owners filed the libel herein. The bark gave no notice of her presence or near neighbourhood in the morning, by bell, horn, or otherwise, and could not be seen from the ferry-boat, until she was so near that the collision was inevitable.

The bark should not have anchored where she did. I do not say that she was in fault in coming into the East river. At the hour when she anchored, it may have been too late to expect safely to enter the slip, or come to the wharf, at 21st street, on the North river, or there may have been some difficulty in finding a suitable and convenient anchorage on the North river side, though no reason has been given, on behalf of the libellants, why she came up into the East river at all. Be the reason what it may, there is an utter failure to show any reason for selecting the place where she did anchor. The bark should have given heed to the requests made by those on the ferry-boat, and, admonished thereby, have changed her anchorage. It is not proved, or even claimed, that this was not entirely practicable. It is not too much to say, that, choosing such a place to anchor, and persisting in lying there, notwithstanding the warning she received, the bark took the risk of any collision with a ferry-boat navigated with ordinary care and caution. It is still more obvious, that she took the risk of a collision, in the on-coming dense fog,

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which occurred in spite of very special and diligent care and caution on the part of the ferry-boat.

The bark should have given notice of her location, apprising the ferry-boat of their near approach, by bell or fog-horn, in the morning. It is claimed, that, because those navigating the ferry-boat had seen her where she was the evening previous, they were bound to take notice of her location in the morning, and avoid her, notwithstanding her omission in this respect. If the ferry-boat was bound to assume that she remained still at anchor at that place, and that she had not moved, as twice requested, and was not at liberty to infer, from the absence of the sound of bell or horn, that she was no longer there, then it is true that knowledge of her location the previous evening required that the ferry-boat should be more vigilant than, without such knowledge, was required of her; but, that is all. She was not bound to suspend her trips, and it is not shown that she omitted any reasonable precaution to make her passage safely.

Finally, the libellants have failed to show any fault on the part of the ferry-boat. She was not bound, and the Court cannot say she was at liberty, in a dense fog, to depart from her usual course. The consequences of her doing so cannot be foreseen. If she had voluntarily done it, and collision with some other vessel properly lying out of such usual course had happened, and injury to her, or to the lives and property she herself carried, had followed, she could not have been justified.

The libel was properly dismissed, and the dismissal must be decreed, with the costs of appeal.

Charles Donohue, for the libellants.

Benjamin D. Silliman, for the claimants.

Joseph A. Sprague v. The Cocheco Manufacturing Company.

JOSEPH A. SPRAGUE AND OTHERS

vs.

THE COCHECO MANUFACTURING COMPANY.

B., as trustee under a will, held five shares in the stock of a Massachusetts corporation, represented by a certificate issued to him, as "B., trustee," in 1857. In 1863, a Court of Massachusetts, in a suit against B., in which he appeared, removed him from his trusteeship, and appointed another trustee in his place, and ordered the certificates of stock of the trust estate to be delivered and assigned by P. to the new trustee, and, in default thereof, the assignment of the shares to be made by a master. The master assigned the five shares to the new trustee, who exhibited the assignment to the corporation, and demanded a transfer of the shares on its books and a certificate therefor to him. The corporation had notice of the suit, and of the proceedings and decree in it, and paid dividends on the shares to the new trustee. Afterwards, and in 1866, H. obtained from S. a loan of money on a delivery and pledge of the certificate issued to B. It had annexed to it a form of assignment, with no name of an assignee, and a power of attorney to transfer the shares, dated in 1858, and signed, "B., trustee," and witnessed, but with no name of an attorney in it. S. made the loan without notice of the proceedings in Massachusetts, or of any breach of trust by B. Afterwards, S., with the assent of H., inserted his own name, as assignee and attorney, in the power, and presented it to the corporation, and asked for a transfer of the shares to himself, and a certificate therefor. It was refused, S. then sued the corporation to recover the value of the shares: *Held*, that the suit could not be maintained.

(Before WOODRUFF, J., Southern District of New York, September 23d, 1872.)

WOODRUFF, J. Edward Belknap was trustee, under the will of John Belknap, late of Boston, in Massachusetts, deceased, and, as such trustee, he held five shares of stock in the Cocheco Manufacturing Company, a corporation created by, and doing business in, Massachusetts, "to be held in trust and managed," with other property, for the purposes in the will of the deceased specified, which were, the appropriation

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of the income, as directed, until the death of the testator's widow, and then to divide the principal, as also directed.

On the 26th of May, 1859, a suit was commenced by one of the beneficiaries, in the Supreme Judicial Court of Massachusetts, (which Court had full power and jurisdiction in the premises,) against the said Edward Belknap, to remove him from the trust, for misfeasance therein. In that suit, the said Edward Belknap was represented by counsel, and such proceedings were had therein, that Charles Amory was appointed receiver of the trust estate, pending the suit, and Belknap was enjoined against transferring or assigning the same; and thereafter, on the 23d of February, 1863, a decree was made, removing the said Belknap from the office of trustee under the said will, and appointing the said Charles Amory and J. Ingersoll Bowditch trustees in his stead, and directing the said Belknap to assign and transfer the trust estate to the new trustees, and to deliver to them all deeds, mortgages, certificates, &c., relating to the trust estate, and a reference was ordered to a master to take an account of the trust estate, &c. On the coming in of the master's report, and on the 16th of April, 1864, a final decree was made, ascertaining and fixing the amounts of arrears of income due to certain of the beneficiaries, settling the costs and counsel fees to be paid, and directing the application of the moneys in the hands of the receiver, &c., and ordering, that, in case the said Edward Belknap should neglect or fail to deliver up to the said Amory and Bowditch, the new trustees, the several certificates of corporate stock and mortgages belonging to the trust estate, and assign and transfer the same to them, then the said master in chancery be, and he thereby was, authorized to execute and deliver to the said trustees proper transfers, &c., of said shares and mortgages, so as to vest the property therein in the said trustees. Thereupon, and before the transaction of the 18th of June, 1866, through which the plaintiffs claim to be entitled, the master in chancery executed an assignment of the stock now in question to the new trustees, which was exhibited to the defendant, and a demand was

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made upon the defendant for the transfer of the stock on the defendant's books, and for a new certificate in the name of such new trustees. Of the pendency of this suit, and of the orders and decrees therein, the defendant had notice, and, during the continuance of the receivership, the dividends declared on the stock were paid to the receiver, and thereafter to the said new trustees.

After all this had taken place, one Raphael, professing to act for the benefit of one Hudson, on the 18th of June, 1866, applied to the plaintiffs in this suit for a loan of two thousand dollars, to be repaid, with interest, in sixty days, proffering, as collateral security, the certificate issued to Edward Belknap, trustee, dated March 9th, 1857, for the said five shares of the capital stock of the defendant, the said certificate having annexed thereto a paper, in the form of an assignment, but without containing the name of any assignee, and with power of attorney to transfer the stock, but without naming or designating, directly or indirectly, any attorney, dated December 20th, 1858, and signed, "Edward Belknap, trustee," and purporting to be attested by a witness. The plaintiffs, having no notice of the proceedings in Massachusetts, and being assured by Raphael that the stock was "genuine stock," and by a person who was the agent of the defendant in New York, in selling its goods, that the certificate was a genuine certificate, and that stock in the defendant's corporation was worth seven or eight hundred dollars a share, and believing such representations, and having no notice of any breach of trust by Belknap, made the said loan, and received from Raphael the certificate, and the paper annexed, signed by Belknap. The plaintiffs, by the assent of Raphael, then filled up the last-named paper, by inserting their own names as assignees, and as attorneys to transfer the stock therein named, and presented it to the defendant, and demanded a transfer of the said stock, and a new certificate in their own names, when they were informed that the stock was the property of trustees under the said will of John Belknap, and that Edward Belknap had been removed from

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the trust, and new trustees appointed in his place, and a transfer and new certificate to the plaintiffs was refused. The plaintiffs then, claiming to be so authorized by the said annexed power of attorney, filled up the blank assignment and power printed on the back of the said certificate of stock, and again demanded that it be received and recorded, and a new certificate be issued to the plaintiffs, and the defendant again refused. Whereupon, this action is brought against the defendant, to recover the value of the stock, as damages.

There are some other details given in the case, as agreed upon by counsel, but the foregoing are all that I deem material to the decision I am called upon to make.

The defendant rests on the title of the new trustees, at whose request and at whose risk the action is defended. The certificate of stock certifies, that "Edward Belknap, trustee," is proprietor of five shares in the corporate property of the Cocheeco Manufacturing Company, "which shares are transferable by assignment on the back hereof, and recorded by the treasurer of said corporation, and, upon delivery of such assignment of this certificate, a new certificate or certificates shall be issued, according to the interest of the parties," and is duly attested under the corporate seal, March 9th, 1857.

A very important question is at once suggested by the case so made: Is the stock of a corporation in the State of Massachusetts so within the power of its Courts, (having, so far as the case discloses, all proper parties before them,) that their decree will operate upon the title of the stock, and may transfer it to a third person, notwithstanding the certificate therefor, in the form above stated, is outstanding? I say, with proper parties before it, because Belknap, the holder of the legal title, was a party, and the plaintiffs have not shown the title of any other person acquired, or conjectured to have been acquired, prior to the decree removing him from his trust, and awarding the stock to his successors in the trust. If such stock cannot be reached by the Courts, and dealt with as right and justice may demand, it would be interesting

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to enquire how stock can be attached and be subjected to the payment of the debts of the owner. How can it be reached and appropriated to the payment of judgments recovered, either by taking on execution, or by a proceeding in equity in favor of judgment creditors? How, especially, shall the property of an absconding debtor in stock held by him be reached and applied? After all means have been exhausted, through regular judicial proceedings, is the corporation bound to recognize the title of one who, years afterwards, produces the certificate, with the signature of the former owner to a blank assignment, and proves that, since such judicial proceedings, he has advanced money on the faith of the certificate? Has the rule, *caveat emptor*, no application to sales of stock? Have the usages of banks and brokers in New York, (which are certified to me in this case,) to advance money upon, and to buy and sell on the faith of, such papers, legal efficiency to make the Courts powerless to protect beneficiaries, and to compel payment to creditors, because the holder may succeed in keeping the certificate of stock beyond their reach? I am not prepared to hold that stock in a corporation is not a chattel interest, or that the certificate of stock gives to the stock itself the character of negotiability which belongs to commercial paper under the law merchant.

I do not think it necessary to discuss the questions thus raised at great length, nor is it important to this case, to bring into view, for the purpose of analogy, the various instances in which possession of just such papers may be obtained by fraud or theft, or in which a person may have their possession without the knowledge or consent of the owner, or when, though possession be entrusted to him, he may have no authority in fact to dispose of the stock. Nor, in this case, is it necessary to affirm or deny the other arguments by which the defence herein is sustained. It is sufficient, for the decision of the case, that I should say, that the decree of the Court in Massachusetts, and the assignment there made by the Master in Chancery, is a full protection to the defendant against a claim

made by the plaintiffs, under a transfer to them after such decree and assignment, unless they show, that, before such decree, the person from whom they claim, and to whom they advanced their money, had acquired from the former trustee a title which was good as against his successors. This they have not shown. Without, therefore, considering whether the paper signed by the former trustee, which assigned to no one, and which authorized no one to transfer the stock, should, under any, and, if so, what circumstances, be deemed to authorize the holder to fill the blanks, I am satisfied that the plaintiffs have failed to show title to the stock, of any efficiency, as against the new trustees, or as against the defendant, having notice of the decree and proceedings under the same, to invest the new trustees with the title.

The judgment is ordered for the defendant, with costs.

Charles H. Smith, for the plaintiffs.

Charles F. Blake, for the defendant.

WILLIAM DIBBLEE, PLAINTIFF IN ERROR

vs.

GAD SHELDON, DEFENDANT IN ERROR.

Where a vendee purchases goods by means of such fraudulent representations as entitle the vendor to disaffirm the sale and reclaim the goods as his own property, and the vendor, after discovering the fraud, voluntarily brings an action on the contract of sale and purchase, to recover the price, that is, as matter of law, an affirmation of the sale, and the vendor cannot thereafter set up title, and claim the goods, on the ground of the original fraud.

(Before Woodruff, J., Connecticut, September 24th, 1872.)

WOODRUFF, J. The single question raised by the bill of exceptions in this case is this : Where a vendee purchases goods by the means of such fraudulent representations as entitle the vendor to disaffirm the sale and reclaim the goods as his own property, and such vendor, after discovering the fraud, voluntarily brings an action on the contract of sale and purchase, to recover the price, is that, as matter of law, an affirmation of the sale, or may he thereafter set up title, and claim the goods, on the ground of the original fraud ? On the trial, the bringing of such suit was held an affirmation of the original sale, and the Judge declined to submit to the jury to determine the intent of the vendor therein, or its effect or operation on the rights of the parties.

The defendant in error, who was the plaintiff in the District Court, is the assignee in bankruptcy of A. F. & S. E. Loomis. That firm had purchased certain tobacco from one Mitchelson, by what, for the purposes of the case in error, must be assumed to have been fraudulent representations. The defendant gave evidence tending to prove, that, upon the discovery of the fraud, and on the 25th of November, 1869, Mitchelson went to the tobacco house of the purchasers, to try to get back his property, and there found the tobacco. He there saw John D. Loomis, to whom he had been informed the vendees had made a pretended sale of the tobacco, and who had taken possession thereof, and claimed it as his own. He informed the said John D. that he wanted to get his tobacco back, and offered to give to him \$100 if he would give it up to him. John D. refused, and Mitchelson "tried all he could to induce him to give it up, without success." He then enquired of him concerning the time when he purchased the tobacco. He then employed a brother, Winthrop Loomis, to use his influence with John to induce him to give up the tobacco, but John refused. Afterwards, on the 29th of the same month, he consulted counsel, and thereupon commenced an action of assumpsit, in the State Court, against the original vendees of the tobacco, the declaration wherein contained the common money counts and counts for goods, wares and mer-

chandise sold and delivered, &c., in form, to recover the price of the tobacco sold. In the writ issued in such suit, the sheriff was directed to attach the goods and chattels of the said A. F. & S. E. Loomis, and the counsel issuing the writ caused the tobacco in question to be attached, as the property of the defendants in the writ, the original vendees. The writ was made returnable, and was returned, to the then next December term of the Court.

I do not feel called upon to discuss at length the question thus raised. It seems to me very plain, that the ruling of the Judge, at the trial below, was correct. The original owner, after seeking, in vain, to obtain the possession of the tobacco, after finding that there was an adverse claim set up by an alleged or pretended purchaser from the fraudulent vendees, voluntarily affirmed the original contract of sale. He had full knowledge of all the facts. He was at liberty to disaffirm the sale, and, by an action of tort, to assume to contest the validity of John's title. He was equally at liberty to insist upon the contract of sale and claim payment from his vendees. With full knowledge of the fraud, he was as competent to affirm the sale, as he would have been to make the sale, had all the facts been known to him when the sale was made.

It is claimed, that the question of intent should have been submitted to the jury, and that they should have been permitted to say whether he intended, when he brought the suit, to waive his right to reclaim the property. But it is, upon undisputed facts, no more for them to decide what amounted to a voluntary affirmance of a sale, than whether an undisputed transaction amounted to an original transfer of title.

I do not think it material to the discussion to say, that it does not appear, by the bill of exceptions, that the action for the price is not still pending. There are no facts in evidence here which can prevent a recovery of judgment, in that suit, for the price, and it would be anomalous to hold here, that, nevertheless, the title to the property is in the plaintiff therein. That fact I do not deem material, because it is the fact, that the vendor elected his remedy, and acted affirmatively

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upon that election, that determines the point in issue, and not the extent to which he pushes his election; and I am not aware of any sufficient ground for saying that he is not concluded until he has recovered judgment. It is quite clear, that, upon the facts stated in the bill of exceptions, the vendees could not successfully claim to prevent a judgment on the ground that the vendor had rescinded the sale. If not, then the facts fail to show such a rescission, but show the contrary.

The judgment must be affirmed, with costs.

Charles E. Perkins, for the plaintiff in error.

Hubbard & Hyde, for the defendant in error.

CYRENUS WHEELER, JR.

vs.

THE CLIPPER MOWER AND REAPER COMPANY. IN EQUITY.
(Two Suits.)

In order to sustain a patent for an invention, it is not necessary that the inventor should reduce the invention to practical use before he obtains the patent. All that is necessary is, that the invention should be perfected, and the proper specification, drawings and model be furnished.

A patent does not become void, if the patentee does not, after the patent is granted, put the invention into practical use.

A device which cannot be reduced to practical operation and use without the aid of further invention, is not patentable; but it is not necessary to the patentability of a device, that it should have, in itself, apart from any connection with, or application to, other known devices or instrumentalities, capacity to produce practically useful results.

Where a patent claims a combination of several devices, it may be reissued to claim the devices separately, if new and useful, even though the aggregate combination claimed in the original patent was not, by itself, useful, or was even impracticable, provided the reissue points out how the devices separately claimed may be reduced to practical use.

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The right of a patentee to protection is not to be tested by the question, whether, in a state of the art subsequent to the granting of his patent, his invention, without improvement, would be deemed of value.

The reissued letters patent, Nos. 875, 877 and 879, granted to Cyrenus Wheeler, Jr., January 3d, 1860, (the original patent having been granted to him December 5th, 1854,) and the reissued letters patent No. 2,610, granted to said Wheeler, May 14th, 1867, as a reissue of reissue No. 876, granted January 3d, 1860, of the same original patent, and the reissued letters patent, No. 2,632, granted to said Wheeler, May 28th, 1867, (the original patent having been granted to him February 6th, 1855,) all for "improvements in grain and grass harvesters," are valid.

Said original patent of 1854 is not open to the objection, that the machine described in it was not susceptible of reduction to practical use.

A machine cannot be pronounced useless or impracticable because it is susceptible of improvement which will obviate or prevent embarrassments to its most perfect operation.

The question of the infringement of the said patents, considered.

A patent for a device cannot be avoided by dividing the device into two parts, which, when combined, produce the same result, in substantially the same way.

A device is not less an equivalent of another, because, superadded to all the functions of such other, it may perform a further office, or, because, besides all the functions of such other, it performs some one of the offices more effectively, or better, so long as it performs them in substantially the same way, and uses substantially the same means.

A claim for devices described, which are alleged to produce a specified result, is not rendered invalid by proof that, under special circumstances, and on exceptional occasions, such result is not produced. The claim will be construed as describing the general rule of the operation of the device.

(Before WOODRUFF, J., Southern District of New York, September 24th, 1872.)

WOODRUFF, J. These suits are prosecuted for the alleged infringement of patents granted to the complainant, and seek an injunction and an account of the income derived by the defendant from such infringement.

The patents in question are for improvements in grass and grain harvesters. The first original patent was granted December 5th, 1854, on an application filed March 16th, 1854, and is numbered 12,044. This patent was surrendered in November, 1869, and reissues were granted for several separate and distinct parts of the improvements claimed to be embraced in the original patent, and such reissues were dated January 3d, 1860, and numbered 875, 876, 877, 878,

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and 879. Of these reissues, one, No. 876, was again reissued May 14th, 1867, and numbered 2,610. The second original patent was applied for September 20th, 1854, and was granted on the 6th of February, 1855, and numbered 12,367. This patent was also surrendered, and, on the 28th of May, 1867, was reissued, numbered 2,632. These suits are brought upon the said two original patents, as reissued under the numbers 875, 877, 879, 2,610, and 2,632. The bill in the first suit alleges infringement of reissues 875, 2,610 and 2,632; and the bill in the second suit alleges infringement of reissues 877 and 879. The answers in each suit are substantially the same, the proofs taken in each, so far as pertinent or applicable to each, are the same, and the suits were brought to a hearing and argued together.

The defendant insists upon the invalidity of the complainant's reissued patents, upon want of novelty in the distinguishing features of the complainant's alleged invention and upon a denial that the defendant has infringed the patents in any particular in respect to which the complainant's patents can be sustained, if sustained at all. My examination of the patents and of the proofs has led me to a different conclusion upon all of these grounds of defence. I shall not probably find time to write in detail my analysis of the patents, discuss the particular proofs, and give the reasoning which brings me to the result. I should be pleased to do all this, and it would be of some convenience to counsel on the review which, I assume, cases of so much importance will hereafter receive. But, other cases require my attention, and I shall do little more than indicate my opinion on the points chiefly argued by the counsel.

(1.) The first ground upon which the complainant's reissued patents are assailed is, that the original patent of December 5th, 1854 was void, for two reasons: 1st. That the invention therein mentioned was never reduced to practical use; and, 2d. That the machine, as described and shown in the original record, was not susceptible of being reduced to practical operation.

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On the argument, it was insisted, that a patent is void, if the patentee did not reduce the invention to practical use before the patent was obtained. This proposition is wholly unsound. No such condition is required by the Act of Congress; and, if it were true that a patent would be void on that ground, no patent could properly be granted, unless proof was furnished that the invention claimed had gone into practical use, which is not and cannot, under the statute, be made a condition of granting the patent. It is enough, that the inventor has perfected his invention, and is able to furnish to the Patent Office such specifications and model as the law requires. Having done this, the patent, in so far as prerequisites to its validity, either by way of experiment or use, are material, is valid.*

But, the terms of the brief before me are, that the "patent of December 5th, 1854, was void, because it was never reduced to practical use." This includes, perhaps, the idea, that the patent became and is now void, and was void when it was surrendered and reissued in several divisions, as above stated, because the invention described therein has never, since the patent was granted, been put into practical use. This is an argument, not that the patent was originally void, but that, through the neglect of the inventor, it has become invalid. It involves the idea of abandonment of the invention. The statute requires that an alien shall put, and continue, on sale to the public the invention or discovery for which he receives a patent, but it contains no such provision in relation to the patentee, when a citizen of the United States. If an invention is not so far perfected as to be adapted to use, that is to

* Counsel, in arguing that an invention must be reduced to practical use before a patent is granted, or the patent is void, must, I think, have meant to claim no more than that it must be reduced to some private or experimental use, practical in kind, but distinct from a public use. If not, then the unsoundness of the proposition is quite obvious, since, under the former law, the public use of the invention defeated the subsequent patent, and could be set up as a defence, by an alleged infringer; and the same is true under the present law, if the machine patented have been in public use for more than two years. (*Note, by Judge WOODRUFF.*)

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say, where the invention is of a machine, or part of a machine, and is not so far completed, that, when constructed, it will produce the desired effect, then, indeed, no patentable invention has been made. But, if the invention be such, that, when the thing invented shall be constructed according to the model and specifications filed, it will operate successfully as a practical and useful thing, the inventor has satisfied the law, and his patent is valid. He is not bound, by law, to construct it, in order to preserve his patent.

(2.) This leads to the second of the defendant's reasons for insisting that the patent of December 5th, 1854, is void, namely, that the machine, as described and shown in the original record of the patent, was not susceptible of being reduced to practical operation. If, by this, is simply meant, that a machine, or a device, that cannot be reduced to practical operation and use without the aid of further invention, is not patentable, there is no occasion here for calling it in question. On the other hand, if it be meant, that no device is patentable which has not in itself, apart from any connection with, or application to, other known devices or instrumentalities, capacity to produce practically useful results, then the proposition is not true.

Patents for simple devices, and patents for parts of machines, are almost numberless, of which it may be truly said, that it is only by connection with other devices or instrumentalities, to which they are intended to be applied, that they can be made to produce any result whatever. True, the patentee is bound to disclose a mode in which they may be rendered practically useful, and it may be one of many modes, and it may necessarily involve the use of many other known devices which are required in order to the useful result. Patents may be granted for combinations, in which some of the parts are old and some are new, and whatever in the several parts is new may be separately secured to the inventor; and yet it may be true, that only in the combination described, or in some similar combination, is the new part thus secured to the inventor of any practical use whatever.

(3.) This brings into view the defendant's claim, that the several reissues of the original patent of 1854 are void, because they are not for the same invention as that described in the original patent record. The original patent embraced, as an aggregate combination, several parts of the entire machine described in the specification, and claimed such aggregate as the invention of the complainant. These parts were all shown in the specification, drawings and models. I know of no rule which forbids the inventor, who has omitted to claim separate new devices, or severable and distinct combinations, in the original patent, making a surrender, and taking reissues for the distinct combinations or separate devices. From the fact of surrender and reissue, it is to be inferred, that the original patent did not secure to the patentee all that he claims in the reissue; but, that alone does not render the reissue void. If the devices covered by the reissues were, in fact, new and useful, and if they are shown in the original specification, drawings, or model, then the patentee is entitled to secure the exclusive use of each separately, by a reissue embracing each.

Again. The claim that the original patent of 1854 was void because the invention therein described was not susceptible of being reduced to practical operation, gains its importance to this controversy from the inference sought to be drawn therefrom, namely, that the several reissues are, therefore, void. These suits are not founded on the original patent, but on the reissues; and the claim is, that, if the original patent was void, because the machine therein described was not capable of reduction to practical use, therefore, the reissues are themselves void. If the premise were here conceded, I do not think that the inference necessarily follows. For example—suppose an inventor of several distinct new devices, or of several new combinations, each capable of being usefully employed in and towards a machine or various machines, and that their separate construction and mode of operation is fully apprehended, and the distinct office or function of each is appreciated—such inventor may, undoubtedly, have a patent for each. Suppose, now, he erroneously conceives that

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he has arranged a combination of all of them, or a combination of all of them with other known devices, so as to produce a new and useful machine, and for such a machine he applied for and obtains a patent, describing and illustrating all the several new devices, or separate combinations of devices, their construction, and operation, but claiming only the aggregate machine. Such aggregate machine may be utterly useless; the patentee is wholly mistaken in regard to the practical operation of the whole; it will not produce the result for which it was intended, nor, in its aggregate form, any other useful result. Does the inventor, in such case, lose the benefit of his skill and ingenuity in producing devices, or combinations of devices, which are of practical value, because he first sought his patent in the form of a useless or impracticable combination? I apprehend not. He may surrender his original patent, and have it reissued in parts, which shall claim the respective new and useful devices or combinations of devices, pointing out, of course, in his specification, some mode or manner in which they may be reduced to practical use and value. He might have done this in his original patent, and claimed each separate new device as his invention. Not having done so, he may do so in his application for reissues and his specifications therein; and the fact, if it be true, that his original patent was defective, because he claimed therein the aggregate combination, and that a useless or impracticable one, no more impairs the validity of the reissues, than any other defect or invalidity which makes a surrender and reissue necessary to protect the device or devices which are useful, and which were in fact invented.

These observations upon some of the legal grounds upon which the complainant's patents are assailed, are made in order to exclude the idea that they are assented to, and not because I find, as a fact proved in the cause, that the machine described in the patent of December 5th, 1854, was not a practical and, within the meaning of the law of patents, a useful machine. I find the contrary. Doubtless, when viewed in the light of subsequent improvements, it was imperfect,

but it was a very large advance upon machines for mowing theretofore attempted. It is one of the embarrassments to which early inventors are constantly subjected, that other persons, availing themselves of the substance of the invention, make improvements thereon, which measurably hide the merit of the original; and, if the right of a patentee to protection were to be tested by the question, whether, in the present state of the arts, his invention, (without improvement,) would be deemed of any value, or be saleable for use, very many authors of most important inventions would be turned out of Court.

(4.) The principal ground upon which it is claimed, and attempted to be proved, that the machine, as described and claimed in the original patent of December, 1854, was not susceptible of reduction to practical use, is, that the socketted piece receiving and holding the finger-bar, (or cutter-bar,) at the inner end, though called a shoe, *m*, in the re-issued patents, was not a shoe in fact—it had no toe; and it is, therefore, said, that, if it encountered an obstruction in its path, it would not slide over it, but must stop the machine, or the cutter-bar be wrenched from its connection with the frame; and, further, as the rear of the supporting-frame was described as resting on a caster-wheel, midway the sides of the frame, in the line of the cutter-bar, it is certain, that, whenever the caster-wheel passed into a depression in the ground, existing only in its own line of travel, this socket-piece, misnamed a shoe, would come to the ground, and, for want of the curved toe, would plough into the ground, and stop the machine, or wrench the bar, as in the other case.

Now, in the first place, the socket-piece holding and supporting the inner end of the cutter-bar, is, in fact, shown to have its under surface curved or rounded up at its front. It is so shown in the model furnished, before the patent was granted, on the requirement of the Patent Office, and made on an enlarged scale for the express purpose of exhibiting this particular part of the machine. It may be true, that if, in its path, it met an obstruction higher than the curve of the under

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surface, its progress would be hindered, but the same is true of the finger-guards, (which may properly be likened to small shoes,) all along the length of the cutter-bar. If they meet an obstruction higher than their points, some means must be employed to raise them, or they will stop the machine, or plough into the ground. In reference to the path of travel, either of the shoe or socket-piece, or of the finger-bar, at any point therein, such an obstruction might happen; but, such a liability does not render the machine impracticable. No machine has been hitherto constructed which may not encounter such an obstacle, at some point in the path of the cutter-bar. The subsequent addition of the curved toe, (which ordinary mechanical judgment would suggest, without the aid of invention,) as it appears in the patent of 1855, and as the complainant's machines appear to have been, in fact, constructed, was, doubtless, an improvement, (though not a further invention,) but the machine would mow upon level prairies, or other smooth ground, and upon ground containing only slight elevations and depressions, without the toe. A machine cannot be pronounced useless or impracticable, because it is susceptible of improvement which will obviate or prevent embarrassments to its most perfect operation. If it could, then it would be the duty of the Courts to pronounce the patent for any machine void, so soon as ordinary mechanical judgment, or even ingenuity, had suggested an improvement which made it perform its desired office more rapidly or more perfectly.

So, in regard to the suggestion that the caster-wheel at the rear end of the supporting-frame, (which ordinarily bore this socket-piece or shoe very slightly above the surface,) might pass into a depression in its own path, and bring the socket-piece to the ground, and so the finger-bar would be influenced by irregularities in the ground, not in the path of the cutters. If this be so, it only points to another particular in which subsequent experience has taught that improvement is possible. The objection is itself greatly exaggerated. In any machine which has been produced on the trial, wherein

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the finger-bar conforms most perfectly to the undulations of the ground, if either end passes into a depression, there is a liability to bring the bar and cutters, at some intermediate point, to the ground. The most that can be truly claimed, adverse to the complainant's original machine, in that respect, is, that the path within which such a depression is liable to affect the undulations of the cutter-bar is a little wider than if, instead of the caster-wheel between the ends of the frame, a wheel was placed at the inner end of the cutter-bar, or the shoe or socket-piece was furnished with the curved toe before mentioned.

What I before said on the subject of making an improvement, is apt to this point; and I am clearly of opinion, that it would be a great perversion of the law, as it would be a most unwarranted assumption of fact, to hold, that these criticisms of the complainant's patent were a defence, or that the complainant's patent was void, because it described an impracticable or useless machine for mowing.

In thus overruling the objections above stated, made by the defendant to the patent of 1854, I recognize and concur with the defendant in the claim, that that patent derives no aid or support from the patent of February, 1855. Each patent must stand or fall by itself. It is, however, pertinent to say, that, in no just view of the duty of the patentee to reduce the patent of 1854 to practical use, could the incorporation of the improvements of 1855, in the machine, when constructed, impair the validity and effect of such patent, if it was, as, in fact, I find it to have been, without such an improvement, a patentable machine.

And, once more, that the function of a shoe was indicated in the model of the socket-piece, *m*, by its curved under and forward surface, has already been stated; and, that such a function was in the mind of the patentee, even if, in its original structure, it was imperfect, is shown in the almost contemporaneous prolongation of the curve, by the addition of the toe. In considering that fact, it must be borne in mind, that a shoe, to assist in sliding an object over the ground, was

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no new invention. It was a common, and may, I think, be declared an obvious, aid to that operation. From the large drogue, or stone-boat, having a similar function, through the shoe applied to coach or wagon wheels, to slide the vehicle, (there retarding motion,) down to its smaller and other varieties, including application to attempted mowing-machines, it was a common device. Ordinary mechanical judgment would suggest its use; and, had the complainant, in his patent, claimed anything as invention, in the function of a shoe, assigned to the socket-piece, *m*, as a distinct subject, such claim would have been invalid. He did assign to the socket-piece that function, and it exhibited that capacity, in some degree, in the model. It was, therefore, no departure nor enlargement of the patent of 1854, to exhibit the same well-known function by reference to the like well-known curved under surface, more perfectly developed in the subsequent reissues.

(5.) In regard to the novelty of the complainant's invention, it is quite impossible for me to write at length an analysis of the various attempts at the construction of a useful mowing-machine, prior to his invention, in any similar form, or by similar devices. Counsel have, with great ability, done this, in their elaborate and valuable arguments, which have been preserved and printed; and I should be compelled, to a large extent, to re-write what they have skilfully done, as an aid to the Court. My conclusion is, that none of the previous machines or inventions impair the validity of the complainant's patents, in any of the claims of which I deem the defendant to be an infringer.

(6.) On the subject of infringement, it is claimed, that the absence of the caster-wheel at the end of the vibrating frame to which the finger-bar is hinged, not only distinguishes the Clipper machine constructed by the defendant, but assigns it to a distinct class of machines, substantially and radically different, in their organization and operation; and this, upon the suggestion, that, in the complainant's machine, as patented in 1854, the caster-wheel carried the end of the vibrat-

ing frame, and that carried the inner end of the cutter-bar, the latter being raised or lowered by the frame, and the frame being raised or lowered by the caster-wheel, according to the undulations in its path, while, in the Clipper machine, the inner end of the cutter-bar rests on a shoe, following the undulations of the ground, raising and lowering the vibrating frame, according to those undulations in the path of the shoe. Within certain limits, this is true. When the path of the caster-wheel was such that the shoe or socket-piece, holding the finger-bar, did not touch the ground, the end of the vibrating frame was sustained by the caster-wheel, and rose and fell with it; but, when the inclination of the ground was such that the socket-piece bore upon the ground, and performed, (whether more or less perfectly,) the function of a shoe, then the shoe sustained the end of the frame, and the latter rose and fell with the undulations over which the shoe passed, as it confessedly does, in the Clipper machine. Thus, the complainant's machine had both features. The one caused by the presence of the caster-wheel may have been a disadvantage, but its omission, while the other substantial features of the complainant's invention were appropriated, cannot be said to constitute the Clipper machine a new machine in organization, and in its principle and mode of operation, though it were conceded that the omission of the caster-wheel, at the centre between the ends of the vibrating frame, is an improvement.

(7.) Without attempting, by further writing, to discuss the many other considerations and particulars urged in behalf of the defendant, none of which have, I think, been overlooked by me, although not here noticed, I pass to a very brief consideration of the claims infringed by the defendant's Clipper machine.

The first claim of the reissued patent No. 875 is, "In combination with the hinged bar, H, and the finger-bar, the intermediate shoe, *m*, hinged to said bar, H, substantially in the manner and for the purpose set forth." The only ground upon which it seems to me possible to question the infringe-

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ment of this claim by the Clipper mowing machine, is by maintaining that the Clipper does not contain the hinged bar, H, and, therefore, does not use the shoe, m, in the combination described.

It is, certainly, true, that the circular or curved plate used by the defendant in the Clipper, to cause the finger-bar to oscillate, is, in appearance and form, very unlike the hinged arched bar, H, which is used for the same purpose in the complainant's machine; and it is, also, true, that the hinged arched bar performs, in the latter machine, an office of which the Clipper's curved plate is incapable, namely, the office of bracing or strengthening the vibrating frame to which, on each side, it is attached. It is the single instrument for oscillating the cutter-bar, and, at, the same time, giving strength to the frame. In the Clipper mower, the same two results are effected in a different form. The curved plate is the means of oscillating the cutter-bar, but it lies lengthwise, instead of crosswise, the frame; and an additional cross bar, from one side to the other of the frame, gives it firmness and strength. The two perform precisely the same functions, and all the functions of the complainant's hinged bar.

A patent for a device cannot be avoided by dividing it into two parts, which, when combined, produce the same result, in substantially the same way. That the defendant's cross-bar does strengthen the vibrating frame, by a firm connection between its two sides, and in substantially the same way as the curved bar, H, strengthens the frame in the complainant's mower, seems to me quite clear. If, then, the curved plate in the Clipper performs the same office in the oscillation of the cutter-bar, and in substantially the same way, then the defendant uses the mere equivalent of the complainant's hinged bar. That hinged bar turns on a bolt, acting as a pivot, or centre of motion. The defendant's curved, oscillating plate turns on a centre of motion, about which it is made to turn, not by a bolt through that centre, but by being hung to bolts arranged in a curve around such centre, and moving in curved slots in the oscillating plate. The testi-

mony shows, and it seems to me obvious, that this device for oscillating or rotating the curved plate, is the plainest mechanical equivalent for a rotation on a bolt at the centre; and that they are commonly and readily substituted the one for the other, whenever any incidental or collateral purpose makes one preferable to the other. For all the purposes for which the complainant's curved-bar was used, in either the support or the oscillation of the finger-bar, this device of the defendant is an equivalent.

True, a collateral purpose made the defendant prefer a motion on bolts and slots curved so that the plate would rotate thereon, instead of on the bolt in the centre. That purpose was this. It was desired, and the use of the curved plate, set lengthwise of the frame, made it necessary, to pass the rod or pitman, which moves the knives, through this curved plate, and that cut away the centre. But, this only made the choice of an equivalent mode of effecting the rotation a necessity. The defendant could not (if the precise arrangement of the Clipper in other respects was adhered to) rotate the oscillating plate on a bolt in the centre, and, therefore, used curved slots, made around the centre, and bolts, on which the curved slots should move. I concur fully with the witness Mr. Renwick, in his testimony on this point.

It is urged, that the oscillation in the two machines causes the two finger-bars to turn on different lines, as centres of oscillation. No doubt, there is a slight difference in that respect. But, it would be trifling with the subject, and making the rights of a patentee in general valueless, to hold that this deviation protected an infringer. The substantial purpose, and the substantial result, is, to raise and lower the points of the cutters, according to the desire of the operator, when passing over ascending or descending ground. This is done in both, and by substantially the same means. That the centre of motion in that raising and lowering of those points is not identical, is not of the least importance. In one, that centre is an inch or two higher than in the other, and that is all. I cannot regard this, on a question of infringement, as

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of the slightest significance. I greatly doubt whether this feature in the Clipper is even an improvement. If it be, it is, nevertheless, in the just sense of the law of patents, an appropriation of the complainant's invention, in the combination described in the claim under discussion.

The third claim is, "The shoe, *m*, as a hinge and a support both, to the cutter-bar, substantially as described." This is the part above called the socket-piece or shoe. In its socket it receives and firmly holds the inner end of the cutter-bar, and, by its hinge, it attaches it to the oscillating bar at the end of the vibrating frame. That such a device was never used prior to the complainant's invention, I find, from the evidence. That the Clipper mower uses this device, is entirely clear. In both machines, it receives the finger-bar in a socket, and holds and supports it. In both, it is hinged to the oscillating piece; and, by its hinge, the outer end of the finger-bar is permitted to rise and fall, to adapt itself to the undulations of the ground. The only difference, worthy of notice, is, that its forward edge or side is, in the Clipper, elongated and curved upward, in the more perfect form of a shoe. On that difference I have already observed, at some length, and will not here repeat my observations. I may add, however, that it partakes rather of the character of difference in degree than difference in function, although, in the complainant's machine, this function of the device is imperfectly performed, and, in some situations, might not be effective. Besides, this Court, on a former occasion, (*Sarven v. Hall*, 9 *Blatchf. C. C. R.*, 524,) held, that a device is not less an equivalent of another, merely because, superadded to all the functions of such other, it may perform a further office. Still less does it fail to be the equivalent of another, because, besides all the functions of such other, it performs some one of the offices more effectively or better, so long as it performs them in substantially the same way, and uses substantially the same means.

The fourth claim of this reissue is for "The socket or recess, *n*, in the shoe, *m*, for the reception of the finger-bar, substantially as described." If this be interpreted as claim-

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ing, simply and broadly, a socket, in whatever is designed to receive and hold the finger-bar at its inner end—a mere socket or recess of the form and capacity of that described—then it was not new; it was old, not only in itself, but in its application to this purpose. Whoever provides a proper device to which to attach the inner end of the finger-bar, without, in other respects, infringing the complainant's patent, may make therein such a socket as the complainant has made, and may insert the finger-bar therein. If the claim be interpreted to mean the socket in the shoe, *m*, as a combination in substance as the complainant made it, so that it embraces, at the same time, the features of that shoe, then what has been said on the subject of the third claim also embraces this.

The claim in reissue No. 2,610 is as follows: "I claim, in combination with a harvester frame, that is free to vibrate about a gear centre, a laterally projecting finger-bar, so hinged to one end and corner of said frame, as to permit the finger-bar, at each end, to follow the undulations of the ground over which it is drawn;" and the claim number two of reissue No. 2,632, of the patent of February 6th, 1855, is for "The combination of a vibrating frame with a cutting apparatus hinged thereto, a driver's seat, an arrangement of one or more levers, whereby the driver in his seat can raise and sustain the cutting apparatus, when desired." One of the defendant's objections applies alike to both of these claims—*First*, that they are invalid because too broad. If they must be read as claiming any and each possible mode, and every possible instrumentality, by which the result can be attained, there is force in the objection. But, they are both definite combinations, wherein none of the parts are claimed separately, or treated as new. Thus, the first is a combination of a harvester frame, free to vibrate about a gear centre, (of which it may be assumed, for the purpose of testing this claim, that many were well known), with a laterally projecting finger-bar, hinged to one end and corner of said frame, so as to permit the finger-bar, at each end, to follow the undulations of the ground over which it is drawn, (which, also, for the purposes of the test,

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may be deemed already well known). This combination was new, and it is this combination which the patentee claims. If he had claimed any and every finger-bar which might be so hinged as to permit it to follow the undulations of the ground, the objection of too great generality might be pertinent. Read in connection with the specification itself, I do not think the claim is objectionable; and this same combination is not found in any prior invention.

The other claim is still more clearly for a specific combination, to which like observations are applicable.

Second, it is insisted, that the claim in the reissue 2,610, above named, is proved to be invalid, by evidence that the combination there professedly described, as exhibited in the specification, drawings and model of the original patent, will not produce the result stated, that is to say, the finger-bar, as the machine is shown in the record of the patent and the model, will not, at each end, follow the undulations of the ground over which it is drawn. The claim is, therefore, said to be liable to two objections: 1st. That the reissue seeks to extend the patent beyond the invention shown by the record of the original; and, 2d. That the claim is only for a conceived result, which cannot be accomplished by the instrumentalities referred to in the specification, drawings and model.

Whatever may be true of the legal propositions involved in these objections, I apprehend, that, when the claim is justly and reasonably interpreted, it is not liable to the criticism which they assume to be well founded. The fact is, that, as a general rule, each end of the finger-bar is permitted, as the claim states, to follow the undulations of the ground over which it is drawn. On exceptional occasions, the caster-wheel may pass over an elevation which is of so limited an extent that it does not reach the inner end of the finger-bar, in which case it will not be exact to say that such inner end follows precisely the undulation of the ground over which it passes. But, the same strictness applied to any finger-bar would lead to the same necessary concession, that,

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in some part thereof, in special and exceptional instances, it does not follow the undulation of the ground over which it passes. When one end passes over an elevation, it is raised, in the centre, from the ground. When the centre passes over an elevation, one end or the other is raised from the ground over which it passes. The claim here should be taken to express nothing more than the general rule of the operation of the machine in this respect. Undulations in a field are not like possible casual obstructions, (as by a stone, or a stump, or the like); the caster-wheel is not remote from the inner end of the finger-bar, and, in passing whatever can be properly called undulations, the arrangement does permit that end to follow them. The argument of the defendant, and, to some extent, the testimony, confound such obstructions as are above mentioned, and possible holes in the path of the caster-wheel, with an undulating surface, in respect to which the claim in question states the truth, and gives the general operation of the combination included in the claim. That there may be special, possible or occasional exceptions, ought not to, and does not, destroy the truth of the claim as stated, nor impair its validity. It must, I think, be conceded, that the defendant's criticism of this claim has something of foundation in an exact literal interpretation of its language. At first, it seemed to me sufficient to raise a doubt whether the claim should be sustained; but, consideration of the subject matter, and of the general practical operation of the machine over undulating surfaces, leads me to the conclusion above stated, and that, to construe the claim so strictly and narrowly as the defendant requires, would be giving force to letter instead of substance, would be unreasonable, would be adopting a needlessly rigid construction, warranted only by a disposition hostile to patentees, and not inclined to reasonable fairness.

As to the arrangement of levers, mentioned in the claim in reissue No. 2,632, above stated, it must suffice to say, that the proofs, as well as my examination of the machine put in evidence, tend strongly to the conclusion, that, although the defendant's machine contains a decided improvement, by

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which, with a single hand, what is, in substance, two levers, may be operated, yet their mode of operation and their mechanical construction, widely as they differ in form, are substantially the same, and that their combination, in the Clipper machine, so as to be operated at a single end or handle, is to be regarded as an improvement only. Viewed separately from this combination, one, by means of an upright attached to the shoe, *m*, connected to the lever by a linked connection, (in substance, in relation to the operation contemplated, a chain), raises the outer end of the cutter-bar; the other, connected with the ground as a fulcrum, by the intermediate parts of the structure, raises the end of the frame, and, with it, the inner end of the finger-bar, when desired. Though there is room for some doubt, my conclusion is in conformity with some of the evidence, that the one system of levers is the mechanical equivalent of the other.

The claims in the patents alleged in the second suit to be infringed by the defendant, are the first claim in reissue No. 877, and the single claim in reissue No. 879. The first is as follows: "So hinging a finger-bar, by one of its ends only, to the main frame, as that it may oscillate or turn around its longitudinal axis, for the purpose of raising or lowering the points of the fingers, to adapt the machine to the condition of the ground, or of the crop to be cut, substantially as described." Nothing in the evidence warrants the suggestion that this was not a new invention; and it is not possible to deny that the Clipper machine has the capacity to oscillate the finger-bar, so as to raise or depress the points of the fingers, for the purpose mentioned. If, then, in the Clipper machine, this capacity to oscillate is effected in substantially the same way, and by substantially the same means, as are described and shown in the complainant's patent, the defendant infringes this claim. What has already been said in relation to the first claim in reissue No. 875, is, perhaps, sufficient to dispose of this question. The hinged bar, *H*, there mentioned, is the means or instrument by which the finger-bar is connected with the main frame, so that the oscillation

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becomes practicable; and this present claim is infringed by the use of a substantially like instrument, operating in substantially the same manner, or, to use the language of this claim, "substantially as described."

But, the defendant insists that the finger-bar, in the Clipper machine, does not turn on or around precisely the same axis as in the complainant's machine. This, according to the testimony, is true. In the latter, the centre of oscillation is a little higher than it is in the Clipper mower, the oscillation is more nearly a swinging motion than a turning on its own centre; while, in the Clipper mower, the oscillation partakes more nearly of the latter character. But, can it be said, that, in relation to such a subject as this, that difference is substantial? With reference to the object in view—the raising and lowering of the fingers, which is the sole useful purpose contemplated—the effect is identical. The means, according to my opinion, expressed in discussing the other reissue, (No. 875), are substantially the same, and they operate, probably not in the same geometrical curve, but, in substance, in the same manner. To hold otherwise, would be to give to immaterial variations capacity practically to destroy the value of any patent whatever.

Reissue 879 exhibits the single claim, "In combination with a cutter-bar, the shoe, *m*, and its hinge, and a supporting piece, and its hinged connection to the main frame, the arranging of the pivots of said hinges at right angles to each other, and in or near the line of the finger-bar, as described." It is quite unnecessary to enlarge upon this claim. That the pivots referred to are arranged, in both machines, as therein described, is unquestionable. If, therefore, the defendant's Clipper machine employs, in substance, the shoe, *m*, and its hinge and the supporting piece, *H*, and its hinged connection to the main frame, the conclusion that this claim is infringed is inevitable. I have already expressed the opinion, that the Clipper machine does, in substance, employ both, or what is a mere mechanical equivalent; and it follows, that, the de-

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scribed arrangement of the pivots of the hinges being the same, the defendant infringes the reissued patent in question.

Without going into the discussion of further details, I am of opinion, that the complainant is entitled to a decree in conformity with the foregoing opinion.

George Harding, for the plaintiff.

Benjamin F. Thurston and *David Wright*, for the defendant.

EDWARD S. RENWICK AND OTHERS

vs.

ALBERT COOPER AND OTHERS. IN EQUITY.

The reissued letters patent granted to William C. Hicks, March 1st, 1870, for an "improvement in breech-loading fire-arms," (*ante*, p. 39,) are valid, as against what is shown in a caveat filed in the Patent Office by George W. Morse, August 24th, 1855, and what is shown in letters patent granted to said Morse, October 28th, 1856.

(Before BLATCHFORD, J., Southern District of New York, September 28th, 1872.)

BLATCHFORD, J. This is a motion for a provisional injunction, to restrain the infringement of reissued letters patent granted to William C. Hicks, March 1st, 1870, for an "improvement in breech-loading fire-arms." The arm proceeded against is one made by the Winchester Repeating Arms Company, of New Haven, Connecticut, and is of the same construction, in the particulars involved in this suit, as the arm proceeded against in the suit of *Renwick v. Pond*, (*ante*, p. 39,) brought on the same patent, and decided by this Court, on final hearing. In that suit, the first three claims of the patent were sustained against all defences, and were held to have been infringed by the arm in question.

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Among those defences, a patent issued to George W. Morse, October 28th, 1856, was set up. The original patent to Hicks, issued March 10th, 1857, was applied for February 20th, 1857, but it was held, on the evidence, that the invention by Hicks dated back to a period shortly after the 14th of August, 1855, and anterior to the date of the invention by Morse. A caveat is now introduced, filed in the Patent Office, by Morse, on the 24th of August, 1855. Morse testifies, that this caveat was prepared and in existence on or before the 14th of August, 1855, and was signed by him on or before the succeeding day; and that such caveat was accompanied by "a" drawing, which was prepared and in existence before the preparation of the specification and description of the invention, and was made from a model constructed by him more than a week previous to the 14th of August, 1855. The certified copy from the Patent Office of what was so filed as a caveat on the 24th of August, 1855, contains a description and *two* separate drawings. The second of these drawings is not referred to in the description. The description and the first drawing suggest the withdrawal of a cartridge by means of a catch, but they contain no description or representation sufficient to enable a practical working apparatus to be made from them. Morse's ideas, so far as they can be learned from such description and first drawing, do not appear to have been further developed on the plan there suggested. The plan set forth in his patent of October, 1856, is a different plan from that suggested in the description and first drawing of the caveat, and is a working out of the ideas put forth in the second drawing attached to the caveat. Such plan of the patent does not embody any one of the inventions covered by the first three claims of Hicks' patent, nor does such second drawing of the caveat embody any one of such inventions, nor is any one of such inventions found in the description, or the first drawing, of the caveat. It is sufficient to say, in regard to the Morse patent, and the second drawing of the caveat, that such extractor as they show is operated by the hammer, and not by the forward movement of the closing piece which closes the breech;

The Thales.

that, when the extractor is in its most forward position, it is not within the periphery of a chamber in which the cartridge and its flange are contained, and in advance of the rear of the space in which the cartridge is received in such a chamber; and that the extractor is not so arranged as to engage with only one side of the flange of the cartridge. These are all essential features in Hicks' invention, and in the first three claims of his patent. It is, also, an essential point in Hicks' arrangement, that the closing of the breech effects the engagement of the hook. Therefore, a single movement of the hand, to close the breech, is all that is required. In the Morse patent, the forward movement of the breech closing piece causes no engagement of any hook with the cartridge flange, and there is no such engagement until the hammer is brought into action, by a second movement of the hand, to act on the tails of the hooks, to cause such engagement, after the forward ends of the hooks are moved forward by the breech-closing piece. In all the particulars in which the defendants' arm is like the plaintiffs', so as to infringe the first three claims of the plaintiffs' patent, such arm of the defendants is unlike, in its construction and mode of operation, what is shown in the Morse patent.

The injunction is granted.

George Gifford, for the plaintiffs.

Charles M. Keller, for the defendants.

THE THALES.

A vessel, which has once been arrested, in the Admiralty, and discharged on stipulation for her value, cannot be arrested again, in the Admiralty, for the same cause of action.

(Before Woodruff, J., Southern District of New York, October 2d, 1872.)

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WOODRUFF, J. Upon the proofs, I am of opinion that the advances made in this case, for reimbursement whereof this cause is promoted, were made upon the credit of the owners, on their request, and were not made upon the credit of the vessel. If so, then no lien upon the vessel ever existed.

But, the authorities, cited to the effect that the vessel, having once been arrested and discharged upon stipulation for her value, cannot be proceeded against a second time and arrested again for the same cause of action, seem to me to settle the question, at least in this Court. (*The Union*, 4 *Blatchf. C. C. R.* 90; *The Kalamazoo*, 15 *Jur.*, 885, and 9 *Eng. L. & Eq. R.*, 557, 560; *Williams & Bruce's Adm. Pr.*, 211 and cases cited.) I must, therefore, direct a dismissal of the libel, in affirmance of the decree below. (3 *Benedict*, 327.)

Dennis McMahon, for the libellant.

Robert D. Benedict, for the claimant.

JAMES R. CLARK, JR., ASSIGNEE IN BANKRUPTCY OF H. E. DIBBLEE & Co.

vs.

ADRIAN ISELIN AND OTHERS. IN EQUITY.

The mere giving of security, on a loan of money, is not an illegal preference, under the bankruptcy Act.

A creditor, holding a warrant to confess judgment, who enters judgment on it, and levies, under such judgment, an execution on the property of his debtor, at a time when the debtor knows, and the creditor has cause to believe, that the debtor is insolvent, obtains an illegal preference, under said Act, even though the debtor was not insolvent when the warrant was given.

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If a creditor releases the goods of a debtor from the lien of an execution in favor of such creditor, and takes a transfer of other assets from the debtor, in payment of the debt, when the debtor is insolvent, and the creditor has cause to believe so, the preference is an illegal one, under said Act.

(Before Woodruff, J., Southern District of New York, October 2d, 1872.)

THIS was a bill in equity filed, in the District Court, by the plaintiff, as assignee in bankruptcy of the firm of H. E. Dibblee & Co. against the members of the firm of A. Iselin & Co. The bankrupts were adjudged such, in involuntary proceedings, on the 2d of June, 1869, the petition having been filed May 3d, 1869. The bill set forth, that, on the 25th of February, 1869, Dibblee, one of the bankrupts, without the knowledge of his other two copartners, Bingley and Krauss, gave to Iselin & Co. a confession of judgment in his own name, and in the name of the firm, for \$54,100, with authority in it to enter judgment for that sum against the members of the firm, the consideration stated in the confession being securities amounting to the cash value of \$54,100, loaned and advanced by Iselin & Co. to Dibblee & Co., some on the 20th of February, 1869, some on the 23d of February, 1869, and some on the 24th of February, 1869; that, on the 30th of April, 1869, Iselin & Co. entered a judgment, in their favor, against the three bankrupts, in the Supreme Court of New York, on such confession, for \$54,105, and docketted the same, and issued an execution thereon, in which, on the same day, a levy was made on the stock in trade and merchandise of the bankrupts; that the securities mentioned in the confession of judgment were hypothecated by Dibblee, in February, 1869, to various banks in New York, as collateral security for loans made by said banks to the bankrupts, on their notes for \$46,000; that, afterwards, Iselin & Co. paid the loans to the banks and received from them the securities; that, on the 1st of May, 1869, the bankrupts gave to Iselin & Co. a bill of sale of bills receivable and accounts amounting, on their face, to \$47,839.52, and paid to Iselin & Co. \$1,900 in cash, and Iselin & Co. accepted the

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same, and the securities received from said banks, which they had taken subject to their lien thereon for the money they had paid to said banks, in satisfaction of said judgment and execution, and the same were thereupon cancelled and satisfied of record; that the advance of the securities hypothecated to said banks was made by Iselin & Co. to enable the bankrupts to borrow money and apply it, or to apply other money, and which money was applied, to pay other debts due by the bankrupts to Iselin & Co.; that, in March and April, 1869, the bankrupts transferred to Iselin & Co. upwards of \$61,000 of their assets, as collateral security for \$61,000 of indebtedness to Iselin & Co., part of which Iselin & Co. had collected at the time the petition in bankruptcy was filed; that, between March 22d, 1869, and May 1st, 1869, the bankrupts paid to Iselin & Co. \$20,108.52, in payment of \$20,000 of call loans made by Iselin & Co. to the bankrupts on March 5th, 6th and 8th, 1869; that, on or about April 8th, 1869, the bankrupts paid to Iselin & Co. \$7,944.88, for interest on prior indebtedness; that these transactions took place with a view, on the part of the bankrupts, to give a preference to Iselin & Co., as creditors of the bankrupts, and when the bankrupts were insolvent, and in fraud of the bankruptcy Act; and that Iselin & Co. had reasonable cause to believe the bankrupts to be insolvent, and that a fraud on said Act was intended by such dispositions of property. The bill prayed, that the title of Iselin & Co. to the securities and moneys so paid and assigned to them be decreed to be fraudulent and void as against the plaintiff, and that Iselin & Co. be decreed to account for, and pay to the plaintiff, the value of said securities, (less the amount for which the same were hypothecated to said banks), and all payments and transfers so made by the bankrupts to Iselin & Co., and the value of the assets so assigned in March and April, 1869, and by the bill of sale of May 1st, 1869. The District Court decreed that the title of Iselin & Co. to the property assigned by the bill of sale of May 1st, 1869, and to the \$1,900, and to the securities received from the banks, (subject to the amount paid by Iselin

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& Co. to redeem the same), was void, under the bankruptcy Act, as against the plaintiff, and that Iselin & Co. should be precluded from proving in bankruptcy their judgment for \$54,100, or the debt for which it was recovered, and should account for the said property and money and securities. The final decree was for \$61,988.14. In other respects the prayer of the bill was denied. Both parties appealed to this Court.

Charles H. Smith, for the plaintiff.

Stephen P. Nash and *Henry W. Clark*, for the defendants.

WOODRUFF, J. The uncharitable prejudice which regards every one who does not pay his debts as a knave, and esteems every one who has befriended him a conspirator to defraud others, may, perhaps, find reasons for most unjust imputations upon the defendants in this cause. They are, in my opinion, wholly unwarranted by the proofs. On the contrary, looking to the purpose and intent of the actors in the transactions in question, the proofs fail to show any actual bad faith, or want of the highest integrity, in either of them.

The assignment made to Iselin & Co., May 1st, 1869, was, I think, a violation of the provisions of the bankrupt law, in the sense, that, by that law, it was invalid; but, even this was, I think, made under a real misapprehension, in the mistaken belief that it was proper, and in the discharge of a valid lien, which it was for the interest of the insolvent firm and its creditors to remove from their stock of goods then in the possession of the sheriff.

I think there was nothing in the transactions prior to that date, which was liable to any imputation, either as fraudulent in fact, or as contravening the provisions of the bankrupt law. Lending to the firm of H. E. Dibblee & Co. \$54,100, and taking security therefor, whether in the form of a confession of judgment, or a pledge of promissory notes, or a bond and mortgage of real estate, was not the taking of a prefer-

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ence, in any sense of that term, used in the bankrupt law. Had the firm, on the 25th of February, 1869, applied to an insurance company, or an individual having funds, for a loan upon bond and mortgage, and, receiving the loan, had given security, no one could say that an illegal preference had been given. In that case, and equally in the case of the loan made by Iselin & Co. here, the firm received the whole amount for which the lenders took security. The estate of the firm was enhanced for the payment of debts, or for the purposes of business, to the precise extent which it was burthened by the giving of the security. The balance sheet remained the same. If Iselin & Co. had been content to rest on the security they then had, I think their position would have been safe from impeachment on any ground.

Whether they could, after knowledge or reason to believe that H. E. Dibblee & Co. were insolvent, proceed, (on the authority given on the 25th of February), to enter up judgment, and levy and collect the amount by execution, is, however, a different question. They would, at least, have been permitted to prove the debt against the estate of the bankrupts, even if the proceedings in bankruptcy had intervened, to prevent their having the benefit of the authority to enter up a judgment. Prior to the entry of judgment, Iselin & Co. had in their hands an instrument authorizing the entry of a judgment, but had, in fact, no lien upon the property of the firm. This instrument was called a security, but it was, in truth, only a means or instrument placed in their control, by which security and payment might be effected. It contemplated the possible necessity of being made effective, but it was, in itself, only inchoate, and, so long as it remained in the hands of Iselin & Co., it had no legal operation, and vested in them no right of property in any part of the estate of the debtors, either absolute, qualified, or contingent. In this condition of Iselin & Co. and Dibblee & Co., the proof shows, I think, that both Dibblee and Iselin became satisfied that the firm of the former was insolvent, and then attempted to make the instrument previously executed effectual.

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It may be conceded, that it would have been a violation of good faith for Dibblee to do anything to prevent Iselin & Co. from obtaining full security by means of a judgment. It may even be conceded, that, as between Iselin & Co. and Dibblee & Co., the former had acquired an unquestionable right, both legal and equitable, to enter up judgment and enforce it. But, this is not the test of their right as against creditors, when Dibblee & Co. were adjudged bankrupt. Iselin & Co. had obtained no actual preference, when the affairs of Dibblee & Co. reached such a condition, that Dibblee must have known, and Iselin had cause to believe, and, I think, did believe, that the debtors were insolvent, and entered up the judgment, for obtaining the actual security and preference which it was in his power to effect through the instrument theretofore executed. In this point, the case does not differ from an example readily suggested. Suppose Iselin & Co. had made a loan, upon a promise by Dibblee, in proper legal form, to give a bond and mortgage as security, whenever required. It would be bad faith in Dibblee thereafter to refuse to give the bond and mortgage, or to do anything which deprived him of the power to give such bond and mortgage, as a valid security; and yet, if, before it was given, Dibblee became or was insolvent, and Iselin became owner of it, the performance of the promise would have been, in fact, a giving and receiving a preference, and not less so because of the previous promise. So, of a promise to give a judgment; and so, of a writing actually delivered to Iselin & Co., but not made effective. As against creditors, the right to carry the promise, or the intention, into effect, is defeated. As against them, the actual gaining of the preference is forbidden. In the case of the promised bond and mortgage, I think this would not be questioned; and I perceive no distinction between the cases. As against the debtors, a Court of equity would enforce their duty to make the contemplated security; and, in the absence of any conflicting rule, that Court would consider that done which ought to be done, and so give effect to the intended security, as of the time when

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the loan was made. But, when the provisions of an express statute have intervened, and the exigency has arisen in which the statute declares the right of creditors to an equal distribution of the property, I think the creditor who has, in the mean time, relied upon an executory promise, or upon his possession of what is practically a mere authority to acquire and enforce a lien, must rest where he finds himself. To then give or take the preference is prohibited.

This is not all. On the 1st of May, after the insolvency of the firm was clear, the debtors made an actual transfer of assets, for the payment of the debt to Iselin & Co., and consented that the latter obtain further payment, by redeeming other assets from banks to which they were pledged for less than their value. This was a clear preference of Iselin & Co., whatever motive, in respect to liberating the stock of goods from the levy of the execution, may have prompted it. Freedom from the lien of the execution was an inducement to this transfer, but did not justify it. The creditors of the bankrupts had a right to have the estate in the condition in which it was when Dibblee & Co. and Iselin & Co. became conscious of the insolvency, and of the effect of paying Iselin & Co. their debt.

These views result in an affirmance of the decree made below, so far as the surplus of the assets redeemed from banks, the cash payment of \$1,900, and the transfer of the notes and accounts mentioned in the assignment of the 1st of May, 1869, were declared void as against the complainant, and so far, also, as it excludes Iselin & Co. from proving the debt thereby attempted to be paid.

As to the sum of \$2,229 08, also decreed to be paid to the assignee, I am not able to discover, from the proofs, nor from the stipulation made by the parties, when this surplus, (over and above the amount due to Iselin & Co. upon their previous advances), accrued. If they had collected it, and held it, at or before the petition in bankruptcy against Dibblee & Co. was filed, then they are entitled to retain it, and to apply it on the debt which was secured, or attempted to be

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secured, by the judgment. That debt was, and still is, a valid debt against the bankrupts, notwithstanding the creditors are not permitted to prove it against the estate in the hands of the assignee; and, if the moneys referred to are collected, so as to constitute a debt from Iselin & Co. to Dibblee & Co., by overpayment or collection on the securities for the other advances, then their claim against the bankrupts, for which the judgment was confessed, was a valid set off thereto, and Iselin & Co. should not be required to pay over that surplus to the assignee. The bankrupt law allows and requires such set off. Any collections in excess of the advances for which they were specifically pledged, made after the filing of the said petition, were collections for the account of the assignee, and, as to them, no such right of set off exists. As this point was not urged by counsel as an impeachment of the decree, I conclude that the sum of \$2,229 08, in question, was so collected. If so, the decree must be affirmed; and, as both parties have appealed, neither should be allowed costs, as against the other.

FRANCIS D. MARTIN AND OTHERS *vs.* L. CRISCUOLA.

The effect of the 5th section of the Act of June 1st, 1872, (17 *U. S. Stat. at Large*, 197,) which provides, that the practice, pleadings, and forms and modes of proceeding, in other than equity and admiralty causes, in the Circuit and District Courts of the United States, shall conform, as near as may be, to the practice, pleadings, and forms and modes of proceeding, existing at the time, in like causes, in the Courts of record of the State within which such Circuit or District Courts are held, is not to authorize the commencement of an action at law in the Circuit Court by a summons issued in the name of the plaintiff's attorney, according to the mode of commencing actions in the Courts of the State of New York.

(Before BENEDICT, J., Eastern District of New York, October 4th, 1872.)

BENEDICT, J. This motion raises the question, whether the effect of the 5th section of the Act of June 1st, 1872, (17

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U. S. Stat. at Large, 197,) which provides, that the practice, pleadings, and forms and modes of proceeding, in other than equity and admiralty causes, in the Circuit and District Courts of the United States, shall conform, as near as may be, to the practice, pleadings, and forms and modes of proceeding, existing at the time, in like causes, in the Courts of record of the State within which such Circuit or District Courts are held, is to authorize the commencement of an action at law in this Court by a summons issued in the name of the plaintiff's attorney, according to the mode of commencing actions in the Courts of the State of New York.

This question, I learn, upon inquiry, has already received the consideration of the Circuit Judge of this Circuit, and he has advised the clerk of the Circuit Court for the Southern District of New York, that the Act referred to does not authorize the commencement of an action at law by such a summons. This action of the Circuit Judge makes it proper that the practice in this District be made to conform to that directed by the Circuit Judge, in the Southern District, and, accordingly, the summons served in this action must be set aside, as unauthorized by any law of the United States.

Goodrich & Wheeler, for the plaintiffs.

Beebe, Donohue & Cooke, for the defendant.

THE HELEN R. COOPER AND THE R. L. MABEY.

A libellant, in a suit in Admiralty, had a decree against two vessels, for damages, which contained no provision for an apportionment of the damages between the two vessels, or otherwise settling the equities between their claimants. After decree, it being shown that the claimant of one vessel, and his sureties, stood in the relation of sureties for the claimant of the other vessel and his sureties, and that the latter had assumed the litigation and agreed to

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indemnify the former, the Court, on the application of the former, made an order that the libellant first issue execution against the latter, and that proceedings against the former be stayed until the return of such execution.

(Before WOODRUFF, J., Eastern District of New York, October 4th, 1872.)

WOODRUFF, J. This is a motion on behalf of the R. L. Mabey, in substance, for an order directing the libellants to execute the decree, (which is, in form, against both vessels,) against the claimants of the Helen R. Cooper and their stipulators, or to exhaust their remedies, under the decree, against such claimants and their stipulators, before proceeding to execute the decree against the R. L. Mabey.

The proofs now laid before me show that, in relation to the subject in controversy, the claimants of the R. L. Mabey, and their sureties, stood in the relation of sureties for the others, and that the latter had assumed the litigation and agreed to indemnify the former. It is, therefore, just and equitable, that the claimants of the Helen R. Cooper, and their stipulators, should pay the damages and costs awarded to the libellants by the decree. This brings the case within the principle of the decision in *The George Washington*, (2 *Benedict*, 226, and 9 *Wallace*, 513,) where the Court directed, that, as between the two vessels, the recovery be equally apportioned, and that, although each was assumed to be liable for the whole amount to the libellant, and, so, in respect to each one-half, each vessel was surety for the other, the libellant, on receiving from either vessel one-half, should stay proceedings until execution had been issued and returned as against the other. Although no direction was given, in the decree in the present case, as to an apportionment, or otherwise settling the equities between the defendants, and while it is also clear that no modification of the decree should now be made, I think the Court has power to control the manner of its execution, so as to do justice between the defending parties, if thereby the libellants are deprived of no right. They must be permitted to collect their whole decree out of some one or all of the parties liable.

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In analogy, therefore, to the decision in the case above referred to, an order is granted, that the libellants first issue execution against the claimants of the Helen R. Cooper and their stipulators, and that proceedings against the claimants of the R. L. Mabey and their stipulators be stayed until the return of such executions against the others. Either party is to be at liberty to apply to the Court for further direction, as they may be advised.

Benedict & Benedict, for the libellants.

Goodrich & Wheeler, for the R. L. Mabey.

Beebe, Donohue & Cooke, for the Helen R. Cooper.

THE ERIE RAILWAY COMPANY AND OTHERS

vs.

JOHN B. HEATH AND OTHERS. IN EQUITY.

A special allowance made to a master, for his services in executing a decree.

(Before BLATCHFORD, J., Southern District of New York, October 14th, 1872.)

BLATCHFORD, J. The 82d of the rules in equity prescribed by the Supreme Court provides, that "the compensation to be allowed to every master in chancery, for his services in any particular case, shall be fixed by the Circuit Court, in its discretion, having regard to all the circumstances thereof, and the compensation shall be charged upon and borne by such of the parties in the cause as the Court shall direct."

The \$6,005,600 of stock which passed through the hands of

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the master, in executing the decree of the Court, represented, at the market value thereof at the time, about \$2,000,000 of money. Under the Act of February 26th, 1853, (10 *U. S. Stat. at Large*, 163,) the clerk of the Court, if that amount of money had passed through his hands, would have been entitled, for receiving it, keeping it, and paying it out, under the order of the Court, to one per cent. on the amount, or \$20,000.

Receivers are allowed usually, as commissions, a per centage on the moneys passing through their hands.

By the laws of New York, the commissions of an executor or administrator, for receiving and paying out \$2,000,000, are over \$20,000.

It is also made known to the Court, that, according to the established usage in the city of New York, the compensation of a broker, for receiving shares of stock, is one-eighth of one per cent. on the nominal or par value of the shares, and the same for delivering them. Such compensation, at those rates, on the \$6,005,600 of stock, would be \$15,014.

The fees of the master, not objected to, for services in the suit, under the decree of reference, running through a period of ten months, and exclusive of the receipt, custody, registration and delivery of the certificates for the shares of stock, amount to \$2,690 71. His disbursements, for stenographers' fees, use of safe, carriage hire and watchmen, were \$554 80.

The course which the master pursued, of receiving the certificates of stock, then causing them to be registered, and then delivering them to the defendants, was one acquiesced in by both parties. The defendants insisted upon such course, in order that the certificates should be registered while in the custody of the master, and should not be delivered to them until the registration had taken place. The Erie Railway Company insisted upon delivering the certificates to the master. The certificates were 6,027 in number. They were registered while in the custody of the master, and then delivered to the defendants, and the provisions of the decree were carried out by the master with fidelity and punctuality, with-

The Erie Railway Company v. Heath.

out interruption, and to the attainment of the result expressed in the decree.

It seems to me proper that this special service in regard to the certificates should be compensated by a special allowance. It was a highly responsible service, and, independently of its nature as a trust, the circumstances which had attended the litigation in its previous stages, were such as to make great caution on the part of the master necessary, in order that the certificates might not be interfered with or intercepted before their delivery to the defendants in the completed form directed by the decree. Since the discharge of this service by the master, the management of the affairs of the Erie Railway Company has passed into the hands of new directors, who are represented by counsel who took no part in the litigation referred to. They submit the matter of the compensation of the master entirely to the discretion of the Court, without suggestion as to amount, and with the expression of a desire that he shall be properly compensated, and of a willingness to pay such proper compensation.

On a review of all the facts in the case, I fix the compensation of the master at the sum of \$7,500, in addition to the \$2,690 71, allowing to him, also, the \$554 80 of disbursements, thus making the entire amount allowed to him, \$10,745 51. This amount is to be paid to him by the Erie Railway Company.

Barlow, Larocque & McFarland, for the company.

Kenneth G. White, (the master,) in person.

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Bliss v. the City of Brooklyn.Guidet v. Palmer.

WILLIAM H. BLISS

vs.

THE CITY OF BROOKLYN. IN EQUITY.

When a suit in equity has been once heard, on issue joined, and is opened for a further hearing, on an amended answer, only as a matter of favor, it is too late to move for security for costs on the ground of the non-residence of the plaintiff, that having appeared on the face of the original bill.

(Before BENEDICT, J., Eastern District of New York, November 5th, 1872.)

BENEDICT, J. It is too late to move for security for costs in this case, which has been once heard, on issue joined, and which is now open for a further hearing, upon an amended answer, only as a matter of favor, and when the non-residence of the plaintiff appeared on the face of the original bill. The motion for security is, therefore, denied.

William C. Witter, for the plaintiff.

Benjamin E. Valentine, for the defendant.

CHARLES GUIDET

vs.

LORIN PALMER AND OTHERS, COMPOSING THE DEPARTMENT OF
CITY WORKS, OF THE CITY OF BROOKLYN. IN EQUITY.

Mere lapse of time is not sufficient to show public acquiescence in a patent; but the acquiescence must be attended with circumstances indicating that such acquiescence would not have occurred if any fair doubt had existed as to the validity of the patent.

The plaintiff had a patent for a pavement, and had been employed to lay some fourteen miles of it by the authorities of the cities of New York and Brooklyn,

Guidet v. Palmer.

during the past four years. No other acquiescence was shown: *Held*, that that was insufficient to raise a presumption in favor of the validity of the patent.

Facts stated, which warranted the refusal of a provisional injunction to restrain the infringement of a patent, where the public interest was concerned.

(Before BENEDICT, J., Eastern District of New York, November 19th, 1872.)

BENEDICT, J. This case comes before me upon a motion which has been treated by counsel on both sides as a motion for a temporary injunction to restrain the Department of City Works of the city of Brooklyn, from executing, on behalf of the city of Brooklyn, a contract for repaving Henry street in accordance with certain specifications on file in the office of the Department, which contract the Department has advertised as open for proposals. A pavement laid in accordance with such specifications will, as the plaintiff insists, be an infringement upon a patent issued to him, and known as re-issue No. 4,106, granted August 23d, 1870.

The rules by which the Courts of the United States are governed in applications of this class are well settled, and need not be re-stated here. The first question arising upon such a motion, where, as in this case, the patent in question has never been adjudged valid in any action, is, whether the plaintiff shows such a public acquiescence in his claim as raises a presumption in favor of the validity of his patent. The bill avers an undisturbed possession, use, and enjoyment of the exclusive privileges described in the patent, and the affidavits show that the plaintiff has been employed to lay some fourteen miles of his pavement in the cities of New York and Brooklyn, during the past four years. No other instances of a recognition of his claim are stated, nor have any licenses to use the plaintiff's pavement been granted by him, it being his plan to derive advantage from his patent by laying his pavement himself, as he is prepared to do. In determining whether these facts are sufficient to show such a public recognition of the plaintiff's claim, as the law demands, it is to be considered, that mere lapse of time is not sufficient. The acquiescence in the patent must be attended with cir-

cumstances indicating that such acquiescence would not have occurred, if any fair doubt had existed as to the validity of the patent. The nature of this plaintiff's invention, and the circumstances under which he has been employed to lay it down, become, therefore, important; and it is to be noticed, that the patent is for a heavy stone pavement, required only on the great thoroughfares of large cities. No private persons can be supposed to have had occasion to consider the plaintiff's claim. Of the cities likely to use such a pavement, so far as the papers before me show, none have dealt with the plaintiff, except New York and Brooklyn, and, in those cities, the plaintiff's employment has occurred within the past four years. Under how many contracts with those cities the pavement has been laid, is not stated, nor whether, in the instances referred to, the plaintiff obtained the contracts by private award, or as the sole, or a competing, bidder for contracts publicly advertised. The price paid to the plaintiff exceeds, by some thirty-four *per cent.*, the price at which other parties have offered to lay down the pavement called for by the specifications here in question. I am to say, therefore, whether the fact that persons in authority in the cities of New York and Brooklyn, during the past four years, have, in these instances, employed the plaintiff, at his price, to lay his pavement, warrants the conclusion that the validity of his patent is free from reasonable doubt. To my mind, such action of the authorities of these two cities, within the period referred to, does not lead to such a conclusion, and is wholly insufficient to raise a presumption in favor of the validity of the patent. For aught that appears, the plaintiff was the only bidder in the cases where he was employed, or he may then have been the lowest bidder, or the necessities of the Department may then have been such as to make his employment a necessity, without any reference to his patent; and, even if his claim had, in these instances, been distinctly recognized by the authorities, that would not work as an estoppel on the city, nor require me to presume that the validity of the patent is free from doubt. The absence of facts sufficient to

raise that presumption, in this case, must be held fatal to the present application.

Furthermore, it appears that Henry street can be paved, under bids received for the proposed contract, at a price less, by some \$8,000, than the price charged by the plaintiff for his pavement; and specifications laid before me by the plaintiff, on this motion, contain a provision, whereby the contractors for Henry street will be liable to save the city harmless from any claim of the plaintiff arising out of the laying of the pavement proposed. It is manifest, therefore, that, if the injunction now asked for be granted, the city will be compelled to pay for the Henry street pavement some \$8,000 more than it can be procured for under the contract proposed, while, if the injunction be denied, no loss will come either to the plaintiff or the city, because the city of Brooklyn is always to be found, and will always be able to respond to the plaintiff in any damages which he may become entitled to claim by reason of any infringement of his patent, while the contractors must, in turn, respond to the city for any sum so recovered. Such a result of an injunction is sufficient to require its refusal, in a case like this, where the public interest is concerned. The motion is, therefore, denied.

George Harding and Benjamin F. Tracy, for the plaintiff.

William C. De Witt, for the defendant.

THE UNITED STATES *vs.* 60½ CARATS BRILLIANTS, &c.

After the condemnation of property, in the District Court, as forfeited to the United States, for a violation of the customs laws, W. and E. each claimed a share as informer. That Court adjudged that neither was informer, but awarded a share to W., as seizing officer, under § 1 of the Act of March 2d, 1867, (14 *U. S. Stat. at Large*, 546.) E. then sued out a writ of error from this Court: *Held*, that, on such writ, the decision of the District Court that, as matter of fact, E. was not entitled to a share as informer, could not be reviewed.

It was not an error in law for the District Court to so decide, although the Commissioner who, by order of that Court, took the proofs, reported them with his opinion in favor of E.

A writ of error to the District Court brings to the consideration of this Court questions of law only.

(Before WOODRUFF, J., Southern District of New York, November 25th, 1872.)

WOODRUFF, J. The property proceeded against was seized by the officers of the United States, and, on information filed, was condemned, in the District Court, as forfeited, because it was introduced into this country without the payment of duty. After condemnation, H. C. Whitely and F. S. Esmond each applied to the District Court for an order adjudging him to be the informer entitled to share in the proceeds of the condemnation. (*Act of March 2d, 1867, 14 U. S. Stat. at Large, 546, § 1.*) The District Court, on a contest between the two claimants, decided and adjudged that neither of them was the first informer, nor entitled, as such, to share in the proceeds, and, there being no other claimant, the Court decided that H. C. Whitely, as seizing officer, was entitled to share in the proceeds. Thereupon, a writ of error was procured and allowed, for the purpose of correcting what the said Esmond alleges to be error in the said order, to his prejudice.

Without considering the objection that no writ of error will lie for the correction of a proceeding of this kind, or the objection that, if it will lie, it is not in proper form, it must

suffice to say, that a writ of error brings to the consideration of this Court questions of law only. The complaint here is, that, upon questions of fact, strenuously contested, and in relation to which there was conflict of testimony, the District Court came to an erroneous conclusion. It is quite immaterial to this party alleging error, whether the decision that Whitely was not the first informer was correct or not; and, if Esmond was not the first informer, then it is immaterial to him whether Whitely was or was not entitled as seizing officer. Esmond, in either case, is not aggrieved by the decision or adjudication. If he was not the first informer, he has no possible interest in the matter, and is not aggrieved. The District Court found, as a fact, upon the evidence, that Esmond was not the first informer. That finding of fact is not the subject of review by writ of error, when the record does not show that any rules of law were violated, or any erroneous construction of the statute was applied to the facts proved.

The circumstance, that the proofs were, by order of the Court, taken before a Commissioner, and were reported with his opinion in favor of Esmond, does not affect this question. The District Court was not bound, by law, to adopt the opinion of the Commissioner as conclusive. It had power to, and did, look into the conflicting proofs reported by the Commissioner, and, on finding, as a fact, that Esmond was not the first informer, made an adjudication, which, upon that finding, was a necessary legal result, namely, that he was not entitled to share in the proceeds of the forfeited property. I find no error of law which calls for any reversal of the order. Let it be affirmed.

Theodore N. Melvin, for Esmond.

William Stanley, for Whitely.

The Troy Iron and Nail Factory v. Corning.

THE TROY IRON AND NAIL FACTORY

vs.

ERASTUS CORNING AND OTHERS. IN EQUITY.

In the taking of the account of profits in this case, a patent suit, in equity, before the master, the plaintiff greatly exaggerated his claim, and caused a great waste of time, and introduced a large amount of irrelevant evidence, and recovered, in the end, a comparatively small sum: *Held*, that neither party should recover, against the other, any costs or expenses that accrued before the master, embracing the fees of witnesses, the taking and printing of the evidence, and all disbursements before him, but each party should bear his own; and that the compensation of the master, as fixed by the Court, should be paid equally by the parties.

(Before NELSON, J., Northern District of New York, November 27th, 1872.)

NELSON, J. This is a motion founded upon affidavits, and other papers of record, to have the Court determine which of the respective parties shall pay the master's fees that have accrued in the cause, or in what way they shall be disposed of; and, further, to instruct the clerk in respect to the taxation of the costs and expenses which have accrued in the proceedings before the said master. The motion is made in pursuance of a reservation in the order of the 16th of June, 1870, in which compensation for the master's services was determined. The reservation is as follows: "but such payment, and this order, shall be without prejudice to the right of the defendants to claim and insist that the whole, or any part, of the expenses of the reference in this suit, or of the said master's compensation and expenses, should be borne by the adverse party, and, also, without prejudice to the right or claim of the said plaintiffs to tax the whole amount, or any part thereof, and, also, the sums heretofore advanced and paid by the said plaintiffs to the said master *pro hac vice*, against the said defendants."

The Troy Iron and Nail Factory v. Corning.

This has been a most unfortunate case.* The decree therein was founded upon an alleged infringement of a patent for making hook-headed spikes by the use of a bending lever, and was rendered against the defendants, with a reference to a master to ascertain the amount of profits due to the complainants, arising out of said infringement. Some eight years have been consumed before the master, in taking an account of these profits. The complainants claimed before him some \$500,000 profits, and \$240,000 for damages. The master reported that no profits were made by the defendants from the use of the bending lever. The Court, on exceptions to this report, modified it, and found due \$8,475 09. This exaggerated and extravagant claim, together with the irregular and useless course of proceedings before the master in support of it, or, rather, in the endeavor to support it, accounts for the painfully protracted litigation. The books of the defendants were called for by the complainants, and were produced, soon

* The bill in this case was filed on the 10th of July, 1848. A motion was made, on the bill, for a preliminary injunction, and was resisted, on affidavits, and denied. An answer was filed in March, 1849, to which a general replication was put in. The proofs for final hearing were taken in June, 1849. The case was heard thereon, before Mr. Justice Nelson, in August, 1849. In March, 1850, he rendered a decision dismissing the bill, with costs. (1 *Blatchf. C. C. R.*, 467.) The plaintiffs appealed to the Supreme Court, and that Court, (14 *Howard*, 193,) reversed the decree below, and directed an accounting by the defendants. A decree, in conformity, was made by this Court, on the 28th of June, 1853, which designated a master *pro hac vice*, to take the account. He declined to act, and, on the 20th of October, 1853, Reuben H. Walworth, formerly Chancellor of the State of New York, was appointed master *pro hac vice*, in his stead. The taking of testimony before the master was commenced, by the plaintiffs, on the 5th of April, 1854. The testimony for the plaintiffs was concluded on the 31st of December, 1853. The testimony for the defendants was commenced on the 8th of February, 1855, and was concluded on the 10th of June, 1854. The printed record of the pleadings and testimony covers 5,328 printed octavo pages. One witness was under examination 195 days, another 136 days, another 133 days, and another 118 days. The report of the master was made in May, 1856. It found that nothing was due from the defendants to the plaintiffs. On exceptions to the report, the Court, (6 *Blatchf. C. C. R.*, 328,) directed a decree for the plaintiffs, for \$8,475 09, with interest from March 31st, 1849, to the date of the decree, with costs. A decision as to the taxation of the costs in the cause is reported in 7 *Blatchf. C. C. R.*, 16.

The Troy Iron and Nail Factory v. Corning.

after the examination commenced. These contained an account of all the spikes made during the period of the alleged infringement, and, also, the sales, and prices for which sold. These two elements being ascertained, the third, the cost of manufacturing the spikes, was really the only debatable question before the master, for, when that was found, the amount of profits was a question of arithmetic; and, in respect to the cost of manufacture, it was in evidence, that the defendants manufactured the bars or rods out of which the spikes were made, and which had a market value. This left unascertained and undetermined the mere cost of the work or manufacture, exclusive of the price of the material; to be settled by proofs, and most of the facts were to be found in the books, to enable the master to determine this question. I think, upon the evidence before me, that the question of profits before the master should have been satisfactorily determined in the period of three months, certainly, in six, instead of consuming eight years, in the attempt to enhance and aggravate the amount. This evidence was before Judge Shipman and myself, on the argument of the exceptions of the complainants to the report of the master, and was then very particularly examined. It would extend this opinion to an unreasonable length, to go into an examination of it in detail, with a view to show the irrelevancy and immateriality of the largest portion of it, and that it arose chiefly, if not wholly, out of the line of proofs adopted by the complainants. In this view of the case, it is well settled, upon the cases in equity, that the Court will apportion the costs according to its view of the fault of the party or parties, or will give to neither party costs against the other. An apportionment, in this case, from the volumes of proofs taken before the master, would lead to endless labor, and then afford a most unsatisfactory result. I shall, therefore, adopt the other alternative, and hold that no costs or expenses that accrued before the master shall be charged by either party against the other. Each party must bear their own. This disposes of witnesses' fees before the master, the taking and printing of the evi-

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dence, and all disbursements before him. Upon the same principles, governing Courts of equity, no costs are to be taxed in respect to exceptions to the master's report, as nearly all of them were overruled by the Court. I have not looked at other items in the bill of costs before me, nor examined them to see if they are in conformity to the law in this Court on the subject of taxation of costs. They are left to the taxing officer.

As to the disposition of the moneys advanced by the respective parties to the master for compensation, as determined by this Court, the question is not one of taxation. It was originally agreed, at the time of the appointment of the master, that the Court should determine his compensation. That was done by the order of the 16th of June, 1870. A previous order had been made, that each party should make advances, equal in amount, to him, as the cause progressed. I understand that these advances have been made, and, if so, on the ground and principles already established in this opinion, as it respects other expenses before the master, these will be equally divided, and, hence, no order will be necessary. But, if one party has advanced more than the other, he must be reimbursed, to the amount of the excess.

Elisha Foote, for the plaintiffs.

William A. Sackett, for the defendants.

THE UNITED STATES vs. THOMAS ANDERSON.

Section 62 of the Act of June 7th, 1872, (17 U. S. Stat. at Large, 276,) making it an indictable offence to go on board of a ship about to arrive at the place of her destination, before her actual arrival, and before she has been completely moored, without permission of the master, is a valid enactment. The offence is indictable, under section 62, and is punishable, on conviction, by the imposition of a penalty not exceeding \$200, and imprisonment until the payment thereof, not exceeding six months.

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It is not necessary for the United States, in such a prosecution, to prove that the prisoner was not in the United States' service, or was not duly authorized by law to go on board of the vessel.

A runner for a licensed keeper of a sailors' boarding house is not exempt from the prohibition of section 62.

Climbing on the rail of the vessel, from a boat, in the act of entering on the vessel, without permission, is within the prohibition.

Proof that the master was not on board, and that the mate in command gave no permission, and caused the defendant to be arrested on the spot, is sufficient to support a conviction, in the absence of evidence showing a permission by the master.

When the offence can be committed by boarding an inward bound vessel, laden with cargo, at anchor, considered.

The section is intended to protect foreign vessels, as well as vessels of the United States.

(Before BENEDICT, J., Southern District of New York, November 30th, 1872.)

BENEDICT, J. Upon the trial of the defendant upon an indictment for the offence of going on board of a vessel about to arrive at the place of her destination, before her actual arrival, and before she was completely moored, without permission of the master, in violation of section 62 of the shipping Act of June 7th, 1872, (17 *U. S. Stat. at Large*, 276,) it was ruled, under objection taken in behalf of the defendant, as follows :

(1.) The enactment contained in the 62d section of the Act under which the indictment was framed, is a valid enactment, within the scope of the powers granted by the Constitution of the United States.

(2.) The section in question creates a criminal offence against the United States, punishable by means of an indictment and conviction in a criminal proceeding, and, upon such conviction, by reason of the effect of the language of the 62d and 64th sections taken together, a penalty, not exceeding \$200, is to be imposed by the Court, and the offender may be imprisoned until the payment thereof, not exceeding six months.

(3.) It is unnecessary for the Government, in such a prosecution, to prove that the prisoner was not in the United

States service, or was not duly authorized by law to go on board of the vessel.

(4.) The proof that the prisoner was a runner employed by a person who held a license to keep a sailors' boarding house, under the statute of the State of New York, passed March 21st, 1866, (*Laws of 1866, chap. 184.*) does not show the prisoner to be exempt from the prohibition of the section in question.

(5.) The prisoner, by climbing from a boat upon the rail of the ship, in the act of entering upon the ship, without permission given, rendered himself liable to punishment, as provided in the 62d section.

(6.) Proof that the master of the ship was not on board of the vessel, and that the mate then in command gave no permission to the defendant to board the vessel, and caused his arrest on the spot, is sufficient to support a conviction, in the absence of any evidence showing a permission by the master.

(7.) The offence is committed by boarding, in the bay of New York, without permission, an inward-bound vessel, laden with cargo to be landed at a pier in New York city, before the arrival of the vessel at such pier, although it appear that, at the time of the boarding, the vessel was temporarily at anchor in the bay.

(8.) Considering the general language of section 62, and in view of the evil sought to be remedied thereby, and of the nature of the prohibition therein contained, the section is to be considered as intended to protect foreign vessels, as well as vessels of the United States; and the fact that the vessel boarded by the prisoner was a foreign vessel, is, therefore, of no avail, as a defence, in a prosecution under this section.

These several rulings I have re-examined, in the light of the argument which has been had in respect to them, and I am satisfied of their correctness. The statute in question being new, and its language, in many instances, inartistic and obscure, I have thought proper to submit the questions raised to the consideration of the Circuit Judge, and he concurs

Bruce v. Murphy.

with me in the opinion that the rulings stated are correct. There must, therefore, be judgment upon the verdict.

Henry E. Davies, Jr., (*Assistant District Attorney*), for the United States.

Robert W. Andrews, for the defendant.

JOHN M. BRUCE AND OTHERS *vs.* THOMAS MURPHY.

"Terne tin," in strips formed by turning over the edges of short plates of the article, and locking them together, and rolling down the edges thus joined, and coating them, in the process, with the same metal as all other terne plates, is liable to a duty of 25 *per cent. ad valorem*, under the last paragraph of § 8 of the Act of July 14th, 1862, (12 *U. S. Stat. at Large*, 552,) and not to a duty of 35 *per cent. ad valorem*, as a manufacture or article "not otherwise provided for, of * * * tin or other metal," under § 18 of said Act, (*Id.* 557.)

(Before SHIPMAN, J., Southern District of New York, December 1st, 1872.)

THIS case was tried by the Court, the parties thereto having consented and waived a jury, as per stipulation on file, according to the statute in such case provided. The Court found the following facts: (1.) The plaintiffs imported from England into the United States a quantity of "terne tin," and entered the same at the custom house at the port of New York, June 1st, 1870. (2.) "Terne tin" was, for many years prior to July 14th, 1862, an article well known to the trade, but only in the form of plates of sizes varying from 10 inches by 12 inches to 20 inches by 28 inches. (3.) In 1861 or 1862, "terne tin" began to be imported in strips many yards in length, which strips are formed by turning over the edges of the short plates and locking them together, and rolling down the edges thus joined, and coating them, in the process, with the same metal as all other terne plates. In this manner,

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strips of terne tin are made of any desirable length. (4.) The "terne tin" imported as aforesaid by the plaintiff was in the form of these long strips last above described. (5.) Upon the entry of said importation, the collector classified the same, not as "terne tin," but as a manufacture or article "not otherwise provided for, of * * * tin or other metal," under the 13th section of the Act of July 14th, 1862, (12 *U. S. Stat. at Large*, 557, *fourth paragraph from the top of the page*,) and assessed a duty thereon of 35 *per cent. ad valorem*. (6.) The plaintiffs objected to that mode of classification and rate of duty, and claimed that the same should have been classified as "terne tin," under the last paragraph of the 8th section of the Act of July 14th, 1862, (12 *U. S. Stat. at Large*, 552,) and subjected to a duty of only 25 *per cent. ad valorem*. (7.) The plaintiffs duly appealed to the Secretary of the Treasury, within the time limited by law, paid the duties alleged to be thus illegally exacted, under protest, and brought this suit within the time limited by law. (8.) The difference between the duties on the aforesaid importation at the rate of 25 *per cent. ad valorem*, and at the rate of 35 *per cent. ad valorem*, was \$114 30, which sum was paid, in gold, to the United States, under protest, on the 18th of August, 1870, and the plaintiffs now seek to recover it back in this suit.

Stephen P. Nash, for the plaintiffs.

Henry E. Davies, Jr., (*Assistant District Attorney*), for the defendant.

SHIPMAN, J. The rate of duty exacted upon the importation in question was ten *per cent.* in excess of that fixed by the statute, and, to that extent, illegal. The 8th section of the Act of July 14th, 1862, (12 *U. S. Stat. at Large*, 552,) fixes the rate of duty on "terne tin" at 25 *per cent. ad valorem*. The law nowhere makes any discrimination between the length of the sheets or plates. It cannot be doubted, that the importation of sheets of any and every length, when each

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sheet is of one unbroken piece, and made so when first manufactured, would come under this 8th section, and must be classified as "terne tin." Lengthening the sheets, or widening them, would not change the character of the article. Sheets of every length and width are included, without limitation, naturally and aptly, under the head of "terne tin." They were, also, thus included in the Act of March 2d, 1861, (12 *U. S. Stat. at Large*, 188,) as well as in the Act of July 14th, 1862. Under both of these Acts, sheets varying in length from 14 to 28 inches were imported in large quantities, and were all classified alike and assessed at the same rate of duty, at ten *per cent.* under the Act of 1861, and at twenty-five *per cent.* under the Act of 1862. Merely increasing the length of such sheets, from twenty-eight inches to twenty-eight feet or twenty-eight yards, could not, without additional legislation, change the rate of duty fixed by the Act. Such sheets would still be "terne tin," and within the plain and unambiguous meaning of both Acts. I apprehend that it can make no difference whether the additional length of the sheets is obtained by rolling them out originally in continuous and unbroken sheets, or by locking the edges of several short sheets together and rolling and soldering them. They are, in either case, "terne tin," in sheets or plates, and, in no just sense, "articles" or "manufactures" of tin, not otherwise provided for, within the 13th section of the Act of July 14th, 1862. As I have already stated, the length of the sheets is an immaterial feature, and it is equally immaterial how that length is obtained, whether by rolling out one piece of metal in a continuous and unbroken sheet, with all its particles uniformly welded together, or by mechanically joining several shorter sheets into one long one. Sheets made in either of these ways would be used in the same manner, and for the same purposes. The difference between the two, in point of utility and beauty, would be in favor of the originally continuous and unbroken sheets, instead of those made up of several shorter ones, however joined together. I have no doubt that the plaintiffs are entitled to judgment. Let it be so entered.

ALPHEUS C. GALLAHUE AND ELI BENNET

vs.

WILLIAM BUTTERFIELD. IN EQUITY.

The claims of the reissued patent granted to Alpheus C. Gallahue, July 6th, 1869, (the original patent having been granted to him August 16th, 1853, and extended,) and of the reissued patent granted to said Gallahue, June 22d, 1869, (the original patent having been granted to him March 29th, 1859,) and of the patent granted to said Gallahue, August 26th, 1862, all for "improvements in machines for pegging shoes," considered.

A patentee, in his original patent, described a spring and a weight, acting conjointly to drive down an awl-carrier and a peg-driver. In a reissue of the patent, he claimed the use of the spring alone, for that purpose, without the weight. The defendant used, for the purpose, a powerful spring, equivalent to the spring and weight: *Held*, that the claim in the reissue was valid, and that the defendant infringed it.

A patentee, whose devices are new, is at liberty to claim each, by way of reissue, although he may have represented and claimed them originally as acting conjointly.

It is not true of a machine, as such, that, because every one of its members performs in it the identical office which it would perform howsoever used, their conjoint action in the new combination may not produce a result useful and never before attained.

Where one or more of the parts are new, and the combination is, for that reason, made to produce a new result, in the greater rapidity and economy with which the work can be performed, there is something more than mere aggregation.

Where the patentee drove his awl-carrier by a spring made to operate automatically, and the use of such spring, for such purpose, was new, and could not be usefully employed without the use of a gauge for the edge of the sole to rest against: *Held*, that the combination of a gauge with an awl-carrier driven by a spring was a new combination, and not a mere aggregation, although the gauge and the awl-carrier were old, and operated, in relation to each other, in no new manner, in the new combination.

Where a machine, not brought into effective operation, was cast aside and taken apart, without any intention to reconstruct it, portions of it being appropriated to other uses, and the remaining parts being wholly useless for any purpose within the purview of a subsequent patent: *Held*, that, as an answer to such patent, such machine must be regarded as an abandoned experiment.

(Before WOODRUFF, J., Southern District of New York, December 6th, 1872.)

Gallahue v. Butterfield.

WOODRUFF, J. The bill of complaint herein is filed to restrain the alleged infringement of certain letters patent for machines for pegging shoes. A patent was granted to the complainant Gallahue, on the 16th of August, 1853, which was extended for seven years, on the 18th of February, 1867, and was afterwards surrendered and reissued under date of July 6th, 1869. Another patent was granted to the said complainant on the 29th of March, 1859, for another improvement, which was afterwards surrendered and reissued under date of June 22d, 1869. A third patent was granted to the said complainant on the 26th of August, 1862, for another improvement or improved machine. The other complainant claims as assignee of three-quarters of the right, title, and interest of the patentee in or to these letters patent. The bill alleges an infringement by the defendant of these several patents, and prays an injunction and an account of profits, &c. The answer does not deny the granting of the letters patent, or the extension and reissues alleged in the bill, but denies that Gallahue was the first inventor of the alleged inventions, denies that they were either new or useful, denies that they were granted "according to law," alleges that the inventions were never reduced to practice, denies that the complainants have any exclusive rights under the patents, and denies that the defendant has infringed, alleging that the machines which he has been, and is now, selling are constructed under various other patents, which are specified, and which were granted at various dates, from January 17th, 1854, to October 11th, 1864. The answer also alleges, that the inventions claimed by the complainants were described, before the date of Gallahue's invention, in a very great number of letters patent mentioned in the answer, and were known to a great number of persons, also named therein; and, finally, the answer alleges abandonment of these inventions, by the patentee, to the public.

The time which I have devoted to the examination and consideration of the voluminous testimony and documents put in evidence, and to the elaborate arguments of the counsel,

in an anxious endeavor to reach a just conclusion, and the numerous cases which are now before me awaiting examination and decision, both forbid that I should detain the parties longer in this Court, for the purpose of doing more than state the conclusions to which I am brought; and the statement of those conclusions in brief must not suggest any failure to consider the points urged upon my attention, though not here separately discussed.

(1.) First, I do not consider the objections urged to the validity of the reissues set up in the bill of complaint, tenable. On the contrary, the improvements described in the reissues were included in, and shown by, the original record; and I find also that the invention was complete, and was reduced to practical use and adaptation to the pegging of boots and shoes.

(2.) Except so far as hereafter indicated, I find that the patentee, Gallahue, was not anticipated, in his invention, in any particular material to the decision which is below stated, and that the proof establishes that he was the first inventor of the devices secured by his patents, so far as such patents are found by me to be infringed by the defendant.

(3.) I find it unnecessary to enter into a detailed examination of the machine made by Amos Whittemore, of which parts were produced in evidence, to ascertain whether, or to what extent, it included a device or devices like those invented by Gallahue, because the proofs show, in my judgment, that nothing in its history is any impediment to the force, effect, and validity of the patent of the latter. It was an abandoned experiment, within the rule on that subject, not brought into effective operation, cast aside and taken apart, and, without any intention to reconstruct it, portions of its machinery were appropriated to other uses, and the remaining parts were wholly useless, as a machine, for any purpose within the purview of the invention of Gallahue.

(4.) The foregoing conclusions lead to the consideration of the specific claims in the complainants' patents, and to the question of infringement.

1st. The first claim in the reissue of July 6th, 1869, No.

3,533, is as follows: "The use, in a pegging machine, of a gauge arranged in relation to the part that supports the boot or shoe, to form a bearing for the edge of the sole, and thus insure the insertion of the pegs at a uniform distance from the edge of the sole, without the use of patterns, substantially as described."

If this claim should be construed to include any and every gauge which may be used, in a pegging machine, as a guide to which the edge of the shoe may be applied, to regulate the distance, from such edge, at which the pegs shall be inserted, then it is clear it could not be sustained. A gauge for that purpose had before been used, in the hand machine patented to John C. Briggs, October 9th, 1845, and a gauge performing a like office is also found in the machine made by Leander Lackey, which was invented earlier than that of Gallahue. Indeed, the counsel for the complainants, in substance, concedes, that, if such be the construction of the claim, it must be deemed invalid, for the reason stated.

But, it is insisted, that, when read in connection with the whole specification, this claim may and should be construed as meaning the use of an adjustable gauge, in connection with the automatic movable support of the boot or shoe, while subjected to the operation of the automatic movement of the awl and driver described in the specification. The fact, that, in the Lackey machine, the gauge operated on the edge of the shoe, to guide it, while it was held to receive the awl and driver, acting automatically, to insert the peg, necessarily reduces even this construction of the claim to some extent, and requires that it be held to apply to those cases in which the specific kind of gauge described by Gallahue in this patent is used, or in which substantially the same movable support is given to the boot or shoe in the process, or, at least, in which substantially the same pegging machinery is used, for the insertion of the peg. The specific gauge used by the defendant has more resemblance to the Lackey gauge than to Gallahue's, and the support of the shoe employed by the defendant is a different mechanical structure from the movable table de-

scribed in this first patent of Gallahue; and, though it may bring the machine within the range of Gallahue's exclusive right under his subsequent patent, it cannot be deemed an infringement of the claim under consideration, if such movable table be included in that claim.

There remains, therefore, only the suggestion, that this claim embraces an adjustable gauge when used in connection with a movable support to the boot or shoe, and in connection with the pegging apparatus, that is, an awl-carrier and driver operated by a cam and spring or springs. In this aspect of the claim, it may properly be considered in connection with the other claims which more specifically relate thereto.

2nd. The next claim of this reissue, alleged to be infringed, is the third: "The combination of the awl-carrier and peg-driver, each separately lifted by a cam, and driven down by a spring, substantially as described." This I find to have been a new device, and, if the machines sold by the defendant are, in substance, the same, in this respect, as that of Gallahue, then of this claim the defendant is an infringer.

In the machine of Gallahue, as described in his original patent, there was, besides the springs, a weight co-operating therewith, to give greater efficiency to the blow; but the spring was there, also, acting, and the awl-carrier and peg-driver were raised by a cam. In the defendant's machine, the awl-carrier and peg-driver are raised by a cam; but the downward blow is given by the spring, without any additional weight. Hereupon, the questions arise, whether, when an inventor employed both spring and weight, in his machine, as originally constructed, he is at liberty to claim, in his reissue, the use of the spring alone, as included in his invention, and whether another person may use the spring alone without liability as an infringer. My conclusion, in this case, is, that the defendant was not at liberty to use the spring, and, by increasing its power, render it practically equivalent to both spring and weight, as originally described. How far such a change, with a corresponding change in the details of the arrangement, may be an improvement, to which the defendant,

or those whom he represents, have title, may depend upon the patentee's right to claim the spring separately, in his reissue ; but, in my judgment, even if an improvement, it is an infringement. It is an appropriation of a substantial part of the actual invention shown in the original record. Nor do I perceive any sound objection to allowing the inventor, in his reissue, to claim the action of the spring alone. It is shown in the record of his patent ; and, surely, a patentee, whose devices are new, is at liberty to claim each, by way of reissue, although he may have represented and claimed them originally as acting conjointly. In respect to this claim, therefore, I deem the machines sold by the defendant an infringement.

3d. The next claim in this reissue, of which infringement is averred, is : "The combination, in a pegging machine, of a gauge for the edge of the sole to rest against, and an awl-carrier driven by a spring, substantially as herein described."

It was not claimed, by the complainants' counsel, on the hearing, that, if this claim be regarded simply as a claim to "combination," as such, it was valid ; and for this reason—a gauge operated in the same manner, and produced the same effect, by whatever means the awl-carrier was driven, and the awl-carrier driven by a spring operated in the same manner, and produced the same effect, by whatever means the boot or shoe was brought to the proper position for receiving the peg. In such case, (mere "combination" being the subject of the patent), the doctrine proceeds upon the ground, that the parts are old, and that nothing new results from their contiguous or contemporaneous action, which is due thereto. But, where one or more of the parts are new, and the combination is, for that reason, made to produce a new result, in the greater rapidity and economy with which the shoe can be pegged, as, where the use of the new device of driving the awl-carrier by the spring made to operate automatically, or, in the terms of the claim, "substantially as described," cannot be usefully employed without the gauge, then there is something more than mere aggregation, in the sense above

stated. Then there is a new result, due to the employment of the awl-carrier, driven by a spring, and operating automatically, in connection with a gauge, without which it could not be operated to produce the advantageous results contemplated and, in fact, attained, by the use of both. All machines are, in a certain sense, combinations; but it is not true of machines, as such, that, because every one of its members performs in it the identical office which it would perform howsoever used, the conjoint action in their new combination may not produce a result new and useful, and never before attained. In this view, I deem this claim valid, and hold it infringed by the defendant.

4th. The next claim is: "Making the gauge, (a,) against which the edge of the sole bears, adjustable, for the purpose of enabling the shoe to be so adjusted as to have two or more rows of pegs inserted therein."

The Briggs hand machine had, as already stated, an adjustable gauge; but, it was only adapted to one change. This enabled the workman to insert two rows of pegs only; and it was not adjusted in the same manner as was that of Gallahue. The former was attached to the machine by a screw, which, being loosened, permitted it to be turned, so as to present to the edge of the shoe, first, its longer, and then, its shorter, end. The gauge of Gallahue was attached by a screw, which, being loosened, permitted the gauge, (in which was a slot, through which the screw was inserted,) to be drawn forward, or pushed back, so as to regulate the insertion of pegs at any desired distance, nearer or more remote, from the edge of the sole. But, this construction of a gauge was not novel, and the circumstance that it was here applied to a pegging machine, and guided the shoe, so that any number of rows of pegs could be inserted, does not make it patentable, except when used with other devices, so as to constitute either a new machine or a new and patentable combination. In such machine or combination, it may be a part of the complainants' invention, but, the making of the gauge adjustable not being new, the mere application of it to

a new use is not separately and independently patentable. Others of the claims of the patent may embrace all to which the patentee is entitled in respect to the use of the gauge, but, the claim to the mere making of the gauge adjustable, as expressed in this claim, I think, cannot be separately sustained.

5th. The remaining claim in this reissue is: "The combination, in a pegging machine, of a gauge for the edge of the sole to bear against and a rotating last-holder or support, substantially as described."

I cannot find that this claim is infringed by the defendant, unless I should hold that it embraces every combination in which a gauge is used, for the edge of the sole to bear against, with a rotating last-holder. If I were so to hold, then I must find, from the evidence, that Lackey anticipated the complainants; and, if I hold that the claim is limited to the special device by which Gallahue effected the rotation, then I must find, from the evidence, that the defendant does not infringe. In either case, the complainants cannot prevail, in this case, upon this claim.

6th. The only infringement of the reissue of June 22d, 1869, relates to the second claim therein. The complainants insist that the last-holder connected with the machines sold by the defendant, though widely different in form, does, by the use of merely mechanical equivalents, embrace, in principle and mode of operation, the substance of this second claim of Gallahue to his last-holder. That claim is: "Pivoting the plate or frame, (*g*), that supports the last, at or near its centre, and so arranging it, that it may turn on said pivot, during the operation of pegging, thereby so adjusting the boot or shoe as to present the various portions of the sole in the requisite position to the awl and peg, as the sole moves along, substantially as described."

The specific details of the arrangement by which this result is automatically produced, are, some of them, the subject of other claims in this patent, but it is not claimed that these details are copied in the defendant's machines. It is claimed, that supporting the last on a plate or frame pivoted at or near

its centre, so as to allow an oscillating or vibratory motion of the last, and to present the uneven and curved surface of the sole in proper position to the awl, at the very place of its descent, so that it shall pass in the proper direction into the leather, was new and a patentable device, and that, in this particular, though without copying the supplemental means of moving the last forward and backward, by which such moving was automatically effected, the defendant has infringed the patent. It will be perceived, that the pivoting here claimed is entirely irrespective of the question, by what means, whether mechanical, or by the hand of the workman, the shoe resting on the holder is brought or held under the awl and peg-driver, and alike independent of the means by which it is moved along, so as to be pegged, from heel to toe, or from toe to heel, and it has no necessary connection with the instrumentality by which the shoe is to be rotated, so as to be pegged on both sides, and around heel and toe. All these are necessary to the full performance of the pegging, but they are not embraced in this claim. It is the raising and depressing of heel and toe alternately, and the oscillation side-wise, so that the surface, at the point where the peg is to be inserted, may receive the awl and peg in the right direction, which this claim contemplates. Gallahue's device consists in placing his last-holder on pivots passing through an arm on each side, so that either end, by the oscillation of the holder on the pivot, raises or depresses either end of the last, as it is moved forward or backward. The sidewise vibratory motion is effected in like manner, by pivoting the bed of the last-holder at each end, so that it may be turned towards or from the awl, and so change the plane of the surface of the shoe lying thereon. In short, by this combination of pivots, something resembling a universal joint is produced, or, perhaps, more exactly, an arrangement like the usual mode of suspending a mariner's compass. Such an arrangement, applied to a pegging machine, was new in its operation and effect, in the art of pegging shoes, and its utility cannot be deemed doubtful, upon the proofs herein. The last-holder used in the

machines sold by the defendant has the same operation, and in substantially the same mode. It is true, that some of the proofs would, at first view, indicate that the latter is not the equivalent of the complainants' device, but such evidence includes in its scope more than the claim now under consideration, as above explained. As it respects the applying of the shoe to the gauge, and holding it in contact, the hand and power of the workman is required. As it respects the moving of the shoe forward, and turning it around the heel and toe, the serrated instrument or feed, co-operating with the power of the workman applied to the last-holder, are necessary. But, as already remarked, these are not the features which are the subject of this claim. The vibratory and oscillating motion of the last, by the means of what is, in substance, a universal joint, is what this claim contemplates and provides for.

It is urged, that, by the defendant's machine, operated, in this respect, partly by hand, the operation is more perfectly performed, that is, the surface of the shoe, at the point of the insertion of the peg, is more exactly at right angles to the line of the motion of the awl. That may, perhaps, be true, but that is due to the guiding power of the workman, employed instead of the automatic motion produced in the complainants' machine, and it is not those which are embraced in this claim. No prior machine had the capacity here in question. The Lackey machine moved the shoe in the arc of a circle, but had not two combined motions, producing the result referred to. Several last-holders, called jacks, had been contrived, but none had this important feature, as I think the evidence fully establishes. This claim must, therefore, be held infringed by the defendant.

7th. The other and remaining claim of which the complainants insist that infringement is shown, is in the patent dated August 26th, 1862. That claim is: "Cutting off the pegs laterally from a strip of peg wood by the movable knife, (e,) being brought against the surface of v, figure 3, as set forth."

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It is clear, I think, upon the evidence, that this was an original invention by Gallahue. Laying out of view, for reasons already stated, the machine of Whittemore, no evidence is produced of any prior device like that of Gallahue. All previous devices for cutting the strips of peg wood into pegs operated upon the edge of the strip, so as to split it, and, the grain of the wood being irregular, the split would follow the grain of the wood, and the pegs were of uneven and irregular form. By Gallahue's device, the knife, actuated by a lever, was made to bear upon, and penetrate, the strip of peg wood sidewise, and divide it into pegs of even, regular, and uniform size and form. By the like device in the machine sold by the defendant, operating substantially in the same manner, the pegs are cut evenly and regularly, without being affected by irregularity or obliquity in the grain of the wood. If there were any doubt in regard to other particulars, the infringement by the defendant in this seems to me clear.

I have not overlooked or failed to consider the objections urged to these conclusions, in the very able argument of the defendant's counsel. The failure to notice them herein in detail is not due to a want of appreciation of the industry and ability displayed in their presentation. Having reached the conviction expressed in the foregoing, I have no alternative but to say, that the complainants are entitled to a decree in conformity therewith.

Charles M. Keller, for the plaintiffs.

George L. Roberts, for the defendant.

HIRAM M. NORTHRUP AND JOSEPH S. CHICK

vs.

SHERIDAN SHOOK.

Bankers, confining themselves to the business of banking only, (as such business is described in subdivision 1 of § 79 of the Internal Revenue Act of June 30th, 1864, (13 *U. S. Stat. at Large*, 251,) and which is not included in the business of a broker, described in subdivision 9 of said § 79, (p. 252,) as amended by the Act of March 3d, 1865, (*Id.*, 472,) are only liable to pay the banker's license fee and percentages mentioned in subdivision one.

Such bankers, without any further or additional license or license fee, may transact the business of a broker described in subdivision 9, while the mere broker must pay \$50 for his license.

But, if a banker does business as a broker, he subjects his sales to the duties imposed by § 99 of the Act of June 30th, 1864, (13 *U. S. Stat. at Large*, 273.)

A person who buys stocks in his own name, for his customers, for a commission, and advances the purchase money on the security of a percentage of such price, deemed sufficient, and deposited with him as security against loss, and sells the stocks for another commission, and settles the account according to the resulting balance to the credit of the customer, having no interest except his commissions and interest, or interest and commissions on his advances, the whole being at the risk, and for the account, of the customer, as to profit or loss, does business as a broker, within the meaning of the Acts in question, and subjects his sales to the duties imposed by § 99 aforesaid.

Such duties thereupon become chargeable on all his sales, whether of his own property, or of the property of others coming to his possession, and held, for advances made by him as a banker, or purchased and sold on speculation for the account of others, on commission.

Whether, when a tax is paid to a collector of Internal Revenue, without objection, or notice, in any form, that the party paying deems it erroneous, and the collector pays over the money to the Government, the collector is thereafter liable in an action to recover it back, and whether such an action, if maintainable, can be brought until after such an appeal to the Commissioner of Internal Revenue as is required by § 19 of the Act of July 18th, 1866, (14 *U. S. Stat. at Large*, 152,) *quere*.

(Before WOODRUFF, J., Southern District of New York, December 12th, 1872.)

WOODRUFF, J. This action is prosecuted for the recovery from the defendant, who was, at the time of the transactions

in question, the collector of Internal Revenue for the thirty-second District of the State of New York, of the sum of \$20,830 19, alleged to have been erroneously assessed upon the business of the plaintiffs, and paid by them as taxes, from September, 1864, to and including the sum assessed for July, and paid August 31st, 1866. The amount was assessed upon or for their sales of gold, stocks, bonds, bullion, bills of exchange, and promissory notes, between the dates stated. It is not claimed that the amounts of the sales upon which the assessments were made, or the rate of the tax assessed, were, in any respect, erroneous, if the plaintiffs were liable to assessment and tax upon the respective kinds or classes of business done by them, as hereinafter stated. The ground of the assessment was, that the plaintiffs were bankers doing business as brokers, within the meaning of section 99 of the Act of June 30th, 1864, (13 *U. S. Stat. at Large*, 273,) as affected by subdivision nine of section 79 of the same Act, as amended by the Act of March 3d, 1865, (*Id.*, 472,) and were liable to tax upon all their sales of gold, stocks, &c., whether their own property, or the property of others. The plaintiffs insist that they are bankers only, doing business under a license as bankers, and not liable to taxation upon any of their sales; and that, although they made sales of the stocks, &c., belonging to others, which were taxed, they were therein acting as bankers only.

The sales in question were, as testified on the trial, of three kinds: (1.) Sales of their own property. (2.) Sales of gold, stocks, bonds, bullion, &c., transmitted to them by their correspondents, and the same or the proceeds drawn against. In some cases, the sales of the transmitted property were made immediately, and the proceeds at once applied to the payment of drafts so drawn, and, in others, the drafts were accepted or paid, and the gold, stocks, &c., were held for a better market, or to await further orders, and, in the meantime, stood as their security for their advances, and to provide reimbursement therefor. In other cases, there were no actual advances, but the property was held for sale, and,

when sold by order of the customer, the proceeds were placed to credit, subject to draft. (3.) Sales of stocks made in pursuance of an arrangement for what is called carrying stocks on a margin, wherein they, upon the deposit with them of a percentage on the amount of the stock, advanced money and purchased stock, for the dealer or speculator, (who dealt in the hope of making a profit by the rise in the market price,) and held the same subject to his order to sell, and finally sold the same for his account as to profit and loss. These transactions were conducted in the name of the plaintiffs, the name of the customer not being disclosed to those from whom the stocks were purchased, nor to those to whom the stocks were finally sold. Upon these purchases and sales, they charged and received from their customers the usual commissions for purchasing and selling stocks for account of others, and the tax imposed and paid to the United States on the sales was also charged to such customers. If the transaction showed a profit, it was paid to the customer, with a return to him of the cash or security held as a margin. If the transaction resulted in a loss, the amount of such margin returned to the customer was correspondingly reduced. It may not be material to the legal questions involved, but it was a fact proved in the case, that much the largest portion of the sales upon which the tax in question was imposed were of the class thirdly above mentioned.

On the trial, it was insisted, on behalf of the defendant, that the plaintiffs were bankers doing business as brokers, within the meaning of the Acts of Congress relating to taxes on sales of stocks, &c., and that, as such, they were liable to taxation upon all their sales, whether made for themselves, and of their own property, or made for others upon a commission; also, second, that, whether the tax was or was not properly assessed, the amount paid therefor could not be recovered back in this action, because it was a voluntary payment, not made under any duress, of goods, or otherwise, that, the defendant being a public officer, and the tax being assessed and returned to him by the assessor, he col-

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lected it and paid it over to the United States in the due discharge of his official duty, without notice of the particular character of the plaintiffs' business, or of the nature of the sales so assessed, and without any notice, protest, or objection made to him by the plaintiffs, that the assessment was, or was claimed by them to be, illegal, or, in any respect, erroneous—citing, in support of this, *Elliott v. Swartwout*, (10 *Pet.*, 137,) and *Bend v. Hoyt*, (13 *Id.*, 263,) decided before the Act of Congress of February 26th, 1845, (5 *U. S. Stat. at Large*, 727,) requiring a written protest when duties on imports are erroneously exacted; *Lawrence v. Caswell*, (13 *How.*, 488,) and *Nichols v. United States*, (7 *Wallace*, 122,) decided subsequently to that statute; and *United States v. Clement*, (*Crabbe's Rep.*, 499, 514,)—and that, although, in course of the payments, but at what date is not shown, the plaintiffs, or one of them, repeatedly objected, to an assistant assessor, that the plaintiffs were not liable to these taxes, and remonstrated with him, and received from him an assurance that, if the tax was illegal, it would be refunded, still they made no objection to the defendant, nor claimed before him, by notice, protest or otherwise, that the assessment was illegal; and, third, that, although it was proved that the plaintiffs did, in or after April, 1869, make an application to the Commissioner of Internal Revenue to have the amount of the taxes in question refunded to them, there is no proof of any such appeal as the Act of Congress of July 13th, 1866, (14 *U. S. Stat. at Large*, 152, § 19,) requires, and, for that reason, this action cannot be maintained.

I. The first, and, in respect of importance, the principal, question is, whether the plaintiffs were liable to the tax assessed and paid.

The provisions of the Acts of Congress, which are to be construed in deciding that question, are the following: The Act of June 30th, 1864, § 110, (13 *U. S. Stat. at Large*, 277,) which imposes a duty of $\frac{1}{4}$ th of 1 per cent., each month, on deposits, $\frac{1}{4}$ th of 1 per cent., each month, on the capital, $\frac{1}{3}$ th of 1 per cent., each month, on the circulation, and an

additional $\frac{1}{4}$ th of 1 per cent., on certain specified excess of circulation; these are required of "any bank, association, company, or corporation, or person, engaged in the business of banking, beyond the amount invested in United States bonds." Section 79, subdivision one, of the same Act, (*p.* 251,) declares, that "bankers using or employing a capital not exceeding the sum of \$50,000 shall pay \$100 for each license," and, for every additional \$1,000 of capital, \$2; and that "every person, firm or company, and every incorporated or other bank, having a place of business where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check or order, or where money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale, shall be regarded as a banker, under this Act." Section 79, subdivision nine, of the same Act, (*p.* 252,) as amended by the Act of March 3d, 1865, (*Id.*, 472,) reads as follows: "Brokers shall pay \$50 for each license. Every person, firm, or company, except such as hold a license as a banker, whose business it is, as a broker, to negotiate purchases or sales of stocks, exchange, bullion, coined money, bank notes, promissory notes, or other securities, for themselves or others, shall be regarded as a broker, under this Act. * * * Provided, that any person holding a license as a banker shall not be required to take out a license as a broker." Section 99 of the same Act, (*p.* 273,) provides, "that all *brokers, and bankers doing business as brokers*, shall be subject to pay the following duties and rates of duty upon the sales of merchandise, produce, gold and silver bullion, foreign exchange, uncurrent money, promissory notes, stocks, bonds, or other securities, as hereinafter mentioned." Then follows a specification of rates, and a proviso, prohibiting sales, by any one not licensed as a broker or banker, of any stocks, merchandise, &c., not *bona fide* his own property and actually on hand.

Under these provisions, it is, I think, clear, 1st. That

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bankers confining themselves to the business of banking only, (as such business is described in subdivision one of section seventy-nine, and not included in the business of a broker described in subdivision nine,) are only liable to pay the banker's license fee and percentages mentioned in subdivision one.

2d. That, without any further or additional license, or license fee, they may transact the business described in subdivision nine of the same section, while the mere broker must pay \$50 for his license. This subdivision, by plain implication, contemplates and authorizes bankers, if they see fit, to engage in the business described as the business the transaction of which makes a man a broker, within the meaning of the Act.

3d. Section 99 recognizes this construction of the section last referred to. It assumes that bankers may transact the same business for which the broker pays his license fee, and, therefore, declares, that "all *brokers, and bankers doing business as brokers*, shall be subject" to duties on sales, &c., at rates specified.

4th. Here is no involuntary double taxation. So long as the banker confines himself strictly to the business of banking, he pays for that, and on his business, specified license fees and duties, and nothing more. If, however, he sees fit to engage in the business described not as the business of a banker strictly, but coming, also, within the business of a broker, he then subjects his sales to the duties imposed by section 99.

5th. The distinction between the conditions upon which license fees are paid, the amounts of such license fees, and the classes by whom they are payable, on the one hand, and the general declaration, in section 99, as to what sales shall be subject to duty, is to be borne in mind, in giving a construction to this latter section. The section is not confined to the brokers described in subdivision nine of section 79, as seemed to me to be assumed on the trial. It includes sales of merchandise and produce, as well as of gold, stocks, bonds, and

other securities mentioned in the subdivision last named, and so it includes produce brokers, and commercial brokers, and, perhaps, some others, (*subdiv. 13 & 14, &c., of § 79, pp. 252, 253;*) and it, therefore, brings into view all sales by brokers of any kind, made of "merchandise, produce, or gold and silver bullion, foreign exchange, uncurrent money, promissory notes, stocks, bonds, or other securities."

6th. It is obvious, that, if the sales of these various descriptions of property could be made for others, and for a commission, by bankers, under cover of their license, (they having been expressly relieved of the duty to take a license as brokers,) the whole business of selling merchandise, produce, gold, stocks, bonds, &c., might be done by those who hold such a license, and that those whose constant employment it is to make such sales for others for a commission, could and would be tempted to shelter themselves under a banker's license, and some small business within the definition of a banker, and so the tax on brokers' sales, which was very large in its aggregate amount, and, therefore, an important source of revenue, would be defeated. Congress, therefore, declare, not only that brokers, but bankers doing business as brokers, shall pay the tax on their sales. So that, if bankers assume to sell merchandise or produce, as brokers therein; or to sell gold, stocks, &c., as brokers therein, they are subjected to the same tax on sales. Again, knowledge of the enormous extent to which sales are negotiated by brokers must be imputed to Congress; and it is clear, I think, that the purpose of the law was, not to tax the private person engaged in other business, when he sold his own property, (unless some other provisions included it,) but to reach and tax the sales made by persons acting as brokers for a commission, and that it was enacted with knowledge that those sales, as to gold, stocks, bonds, and securities, would include by far the the largest portion, and, probably, nearly all, that are made in the commercial cities where such business is transacted.

7th. It was largely assumed, on the argument, that, because the above cited subdivision one of section 79, prescribing a

banker's license fee, and describing the persons who should pay it, described them as persons having a place of business where, among other things, "money is advanced or loaned on stocks, bonds, bullion, bills of exchange, or promissory notes, or where stocks, bonds, bullion, bills of exchange, or promissory notes are received for discount or sale," therefore, and irrespective of other specific provision, they are not taxable on the sales which they make. It seems to me quite obvious, that nothing in this subdivision does, *per se*, determine whether the sales here spoken of are taxable or not; and, were there another and general provision taxing all sales of stocks, bonds, &c., bankers must pay it, as well as other persons. They would have such license to sell as this subdivision imports, but their sales would, nevertheless, be subject to any regulation of sales, whether by taxation or otherwise. No embarrassment, therefore, to a consideration of the question, what sales are taxable, arises from this subdivision of the Act; and the door is wide open, to the operation of the section imposing the tax on sales of merchandise, produce, gold, bullion, stocks, &c., according to its proper interpretation. That section (99) hereupon declares, that all brokers, and bankers doing business as brokers, shall be subject to pay the duties specified "upon the sales of merchandise, produce, gold and silver bullion, * * * stocks, bonds, or other securities." This is in accordance with the view last suggested. It contemplates that bankers may sell property of the description enumerated, and that, when they engage in the business of selling as brokers, they shall be taxed, whether their sales are of merchandise, produce, stocks, or other of the specified property.

8th. The question, then, which is the test of the plaintiffs' liability to pay the tax is, whether they were doing business as brokers, within the proper meaning of the 99th section.

It will be most convenient to consider this in reference to the third class of their transactions, as above divided, namely, buying stocks in their own names, for their customers, for a commission, advancing the purchase money on the security of what is called a margin, that is, a percentage of such price,

deemed sufficient to secure them against loss, selling the stocks, for another commission, and settling the account according to the resulting balance to the credit of the customer, the whole being at the risk, and for the account, of the customer, as to profit or loss, and they having no interest therein, except their commissions and interest, or interest and commissions on their advances.

I have said on a former occasion, cited to me on this trial, (*Markham v. Jaudon*, 41 *N. Y.*, 235, 256,) that, in such transactions as these, the actor is not a mere broker. I think so still. It is not a part of the duty or authority of the mere broker to make the purchase and sale in his own name. He is but a go-between or negotiator between two principals. It is not any part of his duty or office, as mere broker, to pay the price, or to assume any liability therefor. He binds his principal, or, oftentimes, both of the principals in the transaction, by his memorandum. He is, in short, a mere agent, acting by authority of another. And these same observations are true of other agents. It is, however, equally clear, that agents may make themselves liable on the contracts which they in fact make for others, either voluntarily or by not disclosing their agency. It would, nevertheless, be true, that their act of purchase and sale would be in execution of their authority as agent, and their principal would and must so treat it. They do not cease to be agents therein, because they go further than, as agents, they were bound to go, and add their personal liability, in order to aid in the transaction. As between them and their principal they act in the relation of agents. So, they may, by express authority, or, it may be, by authority implied from the usages of trade, (when such usages exist,) receive the property purchased, and be themselves the instruments of making delivery, when they make sales; and, by consent of the principal, they may take formal title and convey that formal title to the purchaser, and may even convert the transaction, as between them, into an agreement for a speculation in stock in the name of the agent, for the account of his principal. While all these may be

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superadded to the duty and authority of a mere agent to buy and sell, there still remains the substantive fact, that, whatever effect these other attending circumstances may have, between him and his principal, as the result of the payment by himself, or of his taking title, the actual agency for his principal is not withdrawn from the transaction.

It is, however, claimed, that the definition of a broker, in section 79, subdivision nine, excludes such transactions from the class of sales which are subject to tax ; or, in other words, that the plaintiffs were not doing business as brokers, under that definition. The terms used are, " person, firm, or company, except such as hold a license as a banker, whose business it is, as a broker, to negotiate purchases or sales of stock, exchange, bullion," &c., &c., " for themselves or others, shall be regarded as a broker, under this Act." I observe, upon this, that a banker, although he does the business which is declared to make a person a broker, is not to be deemed a broker, and to take out a license as such. That is the effect of the exception. When the banker is also doing business as a broker, he becomes chargeable with, not the license fee, but only the tax imposed on sales under the 99th section.

What, then, is doing business as a broker ? This statute does not declare, further than this—one whose business it is, as broker, to negotiate purchases or sales of stock, &c. This does not tell us what it is " to negotiate purchases and sales, as broker." We must go further, before the definition becomes complete and explicit ; and yet, I apprehend, it is not doubtful. On the contrary, it is so well understood, that what negotiating as broker meant required no definition. I have already indicated its meaning. The broker, as such, is the mere agent of a principal, in the negotiation of a purchase or sale. As mere broker, he has no responsibility, except for his own good faith and fair dealing. He, as mere broker, negotiates avowedly for some other, as principal. As mere broker, he neither takes nor gives title, neither receives nor delivers the property, and he has no interest in the transaction,

except to earn and receive his commissions. But he may do something more, and yet be a broker, in the acts of buying and selling for others. No one would, I think, suggest that he was less a broker, in buying and selling for another, if he consented to endorse the note of his principal, for the better security of the seller upon credit; or that he would be less a broker, in buying and selling, because his principal consented that, to secure him against loss by such endorsement, he might hold the property, or the title thereto; and, in this precise point of his agency, as broker, in buying and selling for his principal, for the account of such principal, as to profit and loss, and for a commission to himself, I am not able to perceive how superadding to his agency an advance of money to pay for the stock, can have any greater effect. It may be, that an agreement to buy stock in his own name, carry it, and sell it when directed, for the account of his customer, as to profit and loss, involves questions of right and duty between him and his principal, that are peculiar, and about which there may be difference of opinion. But, the agency in the act of buying and selling is always present, whatever legal consequences may flow from the circumstances superadded to the mere brokerage. In the aggregate transaction, he is a broker, and something more. He negotiates a purchase or a sale for another. He earns therein a commission. He has no interest in the profit or loss, when the whole transaction is carried into complete execution, according to the actual intent of the parties. If it were conceded that the transaction is a speculation in stock for account of the customer, which the agent agrees to make in his own name, and even though the agreement does not contemplate, as a practical result, that the stock will in fact come to the possession of the customer, this would not affect the view I take of the agency, as broker, in making the purchase and sale. The customer, on paying the price and all commissions, would, as matter of law, be entitled to receive the stock; and this was proved, on the trial, to be the recognized rule regulating the practice in such cases.

Speculation in stocks for account of others is not mentioned as belonging to the definition of the business of a broker, as defined in the statute. A portion of the business done by these plaintiffs was, no doubt, receiving stocks, bonds, &c., for discount or sale; but that by no means embraced mere speculations in stock, such as I am considering. In some transactions, also testified to on the trial, the plaintiffs sold stocks through a broker employed by them for the purpose. If those were all their sales, it would present a very different question. But they employed a broker only in exceptional cases, when they desired a sale at the "Stock-Board." I cannot doubt that it was the intention of Congress to reach and include what, I presume, constitutes very much the largest part of all the sales of stocks, gold, and some other property made in this country, (and it is expressly proved that it constituted much the largest part of the plaintiffs' business,) namely, speculation in the very manner of the transactions I am considering; and I think a just interpretation of the statute does include them.

It follows, from these views, that the plaintiffs were, during the period, "doing business as brokers," and were, therefore, taxable for these sales.

II. If thus taxable, was the tax rightfully assessed upon all their sales, whether of their own property, or of the property of others coming to their possession, and held, for advances made by them as bankers, or purchased and sold on speculation for the account of others, on commission?

The Supreme Court have, I think, relieved me of any responsibility or embarrassment in deciding this question. The section imposing the tax is explicit, that "all brokers, and bankers doing business as brokers," shall pay the tax on the sales enumerated. In *United States v. Cutting*, (3 *Wallace*, 441,) the Supreme Court decided, that the sales of stocks, bonds, gold, &c., made by brokers for themselves, are subject to the same duties as those made for others. The statute places bankers doing business as brokers in the same condition in which it places brokers. In that respect, the terms

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are explicit, and this decision seems to me conclusive. It is true, that, in *United States v. Fisk*, (*Id.*, 445,) at the same term, the Supreme Court decided that bankers who only sell for the United States, and for themselves, and who do not sell for others for a commission, are not liable to the taxes or duties imposed on sales. But the Court is careful to discriminate between bankers who only sell for themselves and the United States, and bankers who sell for others for a commission, that is, bankers who do business as brokers. The plain implication from this case is, therefore, in exact accord with the case of *United States v. Cutting*, and confirms the above statement of the effect of the decision therein.

III. The foregoing views necessarily result in a decision that the tax imposed upon and paid by the plaintiffs was legal, and that, for that reason, this action cannot be maintained.

In acting upon that conclusion I do not find it necessary to consider the other grounds upon which the defendant urges a defence. The argument is certainly entitled to consideration, that, where a tax is paid to the defendant, as collector, without objection, or notice, in any form, that the party paying deems it erroneous, and the collector pays over the money to the Government, he is not thereafter liable in an action to recover it back; and that objection or remonstrance made to the assessor, or his assistant, will not suffice. But, as to that, and as to the necessity of a formal appeal, I express no opinion, because, whether the defendant is or is not right on these points, the conclusion above stated disposes of the whole case.

IV. On the trial, evidence was offered by the defendant tending to show that it was a part of the regular and accustomed business of brokers in this country to purchase, carry and sell stocks for others upon commission, in the manner in question herein. That evidence was objected to by the plaintiffs, and was received subject to their objection, with the suggestion, that the consideration of the case would disclose the views entertained respecting its materiality. A witness, who, for twenty-five years, had been doing business as a broker, and who, I think, showed a sufficient acquaintance

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with the business of brokers in the leading cities in which the business of brokers is carried on, was examined on the subject. The Act of Congress not having, in terms, defined what it is to act or negotiate "as a broker," I deemed it competent evidence for the purpose of more clearly showing the general acceptance of the term which the legislature must have had in view.

The foregoing discussion, however, leads to the same conclusion, whether this testimony be received and considered, or not. I think the meaning of the term "broker" is well settled, independent of such evidence. The testimony, therefore, can be of no prejudice to the plaintiffs, even if it be held immaterial, and, if material, it is competent.

Judgment must be entered for the defendant, with costs.

Reverdy Johnson, Thomas W. Bartley, James R. Doolittle, and William H. Scott, for the plaintiffs.

Noah Davis, (District Attorney,) and Luther W. Emerson, (Assistant District Attorney,) for the defendant.

FERDINAND MAYER

vs.

MOSES HERMANN, ASSIGNEE IN BANKRUPTCY OF MAURICE BENDIX AND OTHERS, BANKRUPTS. IN EQUITY.

The inability of a merchant to meet his engagements, in the usual course of business, constitutes insolvency, within the meaning of the bankruptcy Act.

The fact, that a merchant, in a mercantile community, who has no defence to debts maturing in his current business, submits to be sued, to compel payment of such debts, is very high evidence of inability to pay them.

The sale of the debtor's property, on an execution issued in such a suit, is a dis-

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position of the debtor's property, for the benefit of the creditor, out of the usual course of business, and is evidence that the creditor has reasonable cause to believe in the debtor's insolvency, and contemplates a preference.

Although a debtor is not known to have yet committed an act of bankruptcy, his creditor, although he has reasonable cause to believe, or even knows, the debtor to be insolvent, may sue him, and proceed to judgment, execution and levy, for the purpose of proceeding against him in involuntary bankruptcy.

A creditor employed an attorney to collect his debt by suit. All the facts made necessary by the bankruptcy Act to invalidate a preference gained by such suit, were made known to such attorney after he entered on such employment, and while engaged in collecting such debt by suit. The suit proceeded to execution and levy: *Held*, that the knowledge of the attorney was the knowledge of the creditor.

Held, also, that it made no difference, that the information was received by the attorney after he had been retained by the debtor, and while he was advising the debtor what course to pursue, such retainer by the debtor being after the employment by the creditor and before the recovery of judgment.

(Before WOODRUFF, J., Southern District of New York, December 12th, 1872.)

WOODRUFF, J. On the 2d of March, 1868, the plaintiff recovered two judgments, in a State Court, against the above named bankrupts, one for \$388 46, and the other for \$320 44. Executions were, on the same day, issued to the sheriff thereon, and levied on personal property belonging to the bankrupts. On a petition filed March 6th, 1868, the bankrupts were adjudicated such, and the defendant was appointed their assignee, and an assignment was duly executed to him. Thereafter, under an arrangement between the plaintiff and the defendant, the property levied on was delivered by the sheriff to the defendant, to be held subject to a determination by the District Court as to the validity of the lien of the plaintiff upon it. The plaintiff then filed his bill in the District Court, praying that his lien might be established, and the judgments be paid out of the proceeds of the property. The defendant answered the bill, setting up that the executions and levies were void as against him, for the reason that, the bankrupts, being insolvent, did, within four months before the filing of the petition, with a view to give a preference to the plaintiff for the debts set forth in the judgments, procure their property to be seized by said executions, and

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thereby made a transfer of the property levied on; that the plaintiff then and there had reasonable cause to believe the bankrupts to be insolvent, and that the executions were issued in fraud of the provisions of the bankrupt Act; that the attorneys for the plaintiff in recovering the judgments and issuing the executions, were the attorneys for the bankrupts in their petition in bankruptcy, and, at the time of recovering the judgments and issuing and levying the executions, had reasonable cause to believe the bankrupts to be insolvent; and that the transactions were in fraud of the provisions of said Act. Proofs were taken, and, on a hearing, the District Court dismissed the bill. From such decree the plaintiff appealed to this Court. The attorneys for the plaintiff in the judgments were the attorneys for the bankrupts in the bankruptcy proceedings. One of such attorneys was called as a witness by the defendant, in this suit, and testified, that they had not been attorneys for the bankrupts prior to the bankruptcy proceedings; that he first saw the bankrupts in regard to their affairs just before the judgments were obtained, and after the suits were brought; that Bendix then came to his house and stated to him that the firm (Reichman & Co.) had sufficient assets to pay its debts, but his suspicions had been excited by the actions of the husband of Caroline M. Reichman, (one of the firm,) and that goods had been taken out of the store, which could not be traced, and he feared, that, unless some steps were taken in the matter, they would not be able to pay their creditors, and the goods would disappear; that his (the attorney's) advice to him was, to immediately take possession of the store, and lock it up, and call a meeting of the creditors of the firm, and do something to secure them, by appropriating the goods to their benefit; that this was after the summonses in the suits had been served on at least two of the three defendants in it, Bendix being, at the time, aware of the summonses, although not served with them until two days after Mrs. Reichman was served, and five days after the remaining defendant was served; that Bendix, accordingly, locked up the store, and a

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meeting of the creditors was held, at which he (the attorney) attended, at the request of Bendix, and at which propositions were made and discussed to turn over the property to the creditors in full payment of their debts; that a majority of the creditors were in favor of that course, and a committee was appointed to investigate the affairs of the firm, and, at his (the attorney's) suggestion, the committee was empowered to take possession of the goods; that he (the attorney) heard nothing more of the matter until after the judgments; that then Bendix informed him that the proposition to take the property in payment of the debts had fallen through; that he then advised Bendix to go into bankruptcy; that he did not communicate with the plaintiff in regard to the matter, nor know personally on what day the summonses were returnable, or that the judgments had been obtained, until after they had been obtained; that he attended the meeting of creditors on behalf of Bendix; and that the plaintiff was not present at the meeting, and did not know of it.

The plaintiff was called as a witness by the defendant, and testified, that the debts for which the judgments were recovered were open accounts, for goods sold to the firm; that one account was due twelve days before the suit on it was commenced, (both suits having been commenced February 21st;) that he had sent for the money on it, and they had put him off, sending word that they would come in and pay; that he did not know that the meeting of creditors was to be held, nor learn of it after it had been held; that, when he directed suit to be brought against the firm, he had no idea that it was in a failing condition; that, when the executions were issued, he had no reason to believe that the firm was insolvent; that it was not proposed to him by the attorney to share ratably with the other creditors; and that, after he placed the claims in the attorney's hands, and swore to the complaints, he had no knowledge as to what was done in the suits.

The attorney also testified, that he stated, at the meeting of creditors, and that such was his opinion, that, if the stock of goods was fairly sold, and not sacrificed, and the debts

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were collected, there would be enough to pay seventy-five cents on the dollar, but that, if the goods were sold at auction, or by an assignee, he did not believe they would realize more than forty or fifty cents on the dollar; and that such statement was made before the executions were issued.

The debts proved against the bankrupts are \$11,021 32. The assets realized by the assignee are \$2,961 82, in which sum is included \$2,680 72, realized from the sale of the goods levied on.

1. The plaintiff had reasonable cause to believe that the firm was insolvent, before his executions were levied upon their goods, and that the collection of the judgments would operate to give him a preference. The parties, debtors and creditors, were both merchants. Inability to meet their engagements in the usual course of business has been again and again adjudged to constitute insolvency, within the meaning of the bankrupt law. When, therefore, a merchant fails to pay his notes, or other mercantile obligations, as they become payable, the immediate presumption of inability to pay arises. This is according to the universal sense of the mercantile world. When a merchant does not so pay, he is at once, and everywhere, assumed, in the common language applied to the subject, to have "failed." Quite true, there may be reasons, in any particular case, why payment at maturity is not made. There may be a defence to the apparent debt; the non-payment may be caused by accident, or carelessness and inattention; or it may be the result of some other special temporary cause, entirely consistent with amplest solvency. Nevertheless, where no such cause exists, non-payment, *prima facie*, imports inability to pay in due course of business, and creditors everywhere, in commercial communities, proceed on that presumption. True, also, mere non-payment of an account for goods sold is not declared to be an act of bankruptcy; but this proves nothing upon the question of probable cause to believe that the debtor, in such case, is unable to pay in due course of business.

In the present case, the debts were mercantile debts.

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They were not paid at maturity. The plaintiff knew it, and, on repeated applications for payment, he was put off by the debtors, their promises to pay were broken, and he was obliged to sue. It was manifest to him that his debtors did not pay in the usual course of business. There was no suggestion of any defence or other special, temporary, or accidental cause of delay; nor was there apparent to him, nor is there proved now, any circumstance warranting any other inference than that they could not pay, for want of means. The circumstances within his actual knowledge indicated insolvency, in the sense of the statute; and such insolvency existed in fact, as was reasonably to be inferred.

2. This reasonable cause to believe that the debtors were insolvent becomes greatly increased, when, besides failure to pay in due course of business, the debtor submits to be sued, and the creditor commences suit. That, in a mercantile community, a merchant debtor is so straitened, that, without pretence of any defence, he is under the pressure of suits to compel payment of debts maturing in his current business, is very high evidence of inability to pay. The unquestionable fact, that such pressure would be utterly destructive of his commercial credit, clearly shows that it is and must be deemed abundant cause of belief in his insolvency; and the pursuit of a debtor by such suit is a plain attempt to drive him either into a preferential payment, or to lay the foundation for a very proper proceeding in bankruptcy against him. Following such suit to judgment, execution, sale of his goods, and appropriation of the proceeds by the creditor, is not only accumulating evidence of the debtor's insolvency, at every step, but, when consummated by the actual sale of the debtor's goods for the payment of the execution, another ground of impeachment of the transaction arises. It is a disposition of the debtor's property, for the benefit of the creditor, out of the usual course of business. It is a case, if not within the letter, plainly within the spirit and analogy of "sales, assignments, transfers, or conveyances to a creditor, not made in the usual and ordinary course of business of the debtor," which,

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by section 35 of the bankrupt Act, is declared "*prima facie* evidence of fraud," that is, is to be taken as *prima facie* evidence of actual fraud, or, at least, of a design to prevent the property from being distributed under the bankrupt Act, or to defeat its object, or impair, hinder, or delay its operation and effect, or evade its provisions. It would be little short of absurdity, to say, that, when, under the circumstances of a case like this, the creditor has pursued his debtor down to an actual levy, he has not reasonable cause to believe that his debtor is insolvent, or that he can then proceed to a sale, for his own benefit, without contemplating the necessary result, if such insolvency exist, namely, a preference.

I have heretofore taken occasion to say, (*Coxe v. Hale, ante, p. 56,*) that this view of the rights and risks of creditors does not prevent, and need not discourage, suits against debtors who, not being known to have yet committed any act of bankruptcy, do not pay. The creditor, whether he has or has not reasonable cause to believe his debtor to be insolvent, has a right to bring suit. If a defence is interposed, he may go to trial and judgment. If no defence is interposed, he may take judgment by default. Nothing in the bankrupt law, and nothing above suggested, forbids this. I think, also, he may cause the goods of the debtor to be seized on execution. But, if he then knows, or has reasonable cause to believe, that the debtor is insolvent, and, therefore, knows, or has like cause to believe, that the appropriation of the property to paying his debts will operate to give him a preference, he must beware how he proceeds. An act of bankruptcy, the debtor being insolvent, has now been committed. A suit, judgment, and levy, procured in good faith, for the purpose of forcing an insolvent debtor into bankruptcy, is not illegal. It may often be a proper, and, in short, the only present means of compelling an unwilling debtor to submit his property to the just distribution among his creditors, for which the law provides.

3. The plaintiff had reasonable cause to believe that the debtors were insolvent, and that his proceedings against them

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were taking or securing a preference, because, his attorney knew it, and the plaintiff, under the circumstances of this case, is chargeable with that knowledge. Such attorney was employed by the plaintiff to bring the suits, obtain the judgments, and collect the debts. All the facts made necessary by the statute to invalidate any preference thereby gained, were made known to such attorney after he entered upon that employment, and while in the prosecution thereof for the purpose of making the collection. In the actual endeavor to collect the debt, and by reason of that endeavor, the attorney was brought into contact with the debtor, and learned the condition of his affairs. If information of the debtor's insolvency, so acquired, is no impediment to securing a preference, by seizing and appropriating the debtor's effects, there would be little effective vitality in the provisions of the bankrupt law, and the just remedial enactments of the 35th and 39th sections, to secure equality among creditors, would be easily evaded. All that it would be necessary for the creditor to do would be, to put his claim into the hands of an attorney, perhaps one in a distant place, near the residence of the debtor, and abstain from asking or receiving thereafter any information as to the condition of the debtor, or the progress made in collecting the claim, until the money was actually realized and sent to him. He could then say, what is alleged in this case, that what his attorney might have learned was not to be imputed to him, as knowledge or reasonable cause to believe, and was, therefore, of no avail to defeat the actual preference obtained. It seems hardly necessary to enlarge upon these suggestions. The consequences which would result from sustaining preferences thus gained are too obvious. The knowledge acquired by an agent in the conduct of his employer's business is knowledge of his principal.

It is sought to withdraw this case from the operation of that rule, by insisting, that here the information was gained after a retainer by the debtor, and while advising the debtor what course to pursue in his condition of embarrassment, though before the recovery of judgment by the creditor. I

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do not assert a broad rule, that all the knowledge which an attorney or counsel receives from his clients, in their confidential relation, is to be deemed the knowledge of all his other clients, or to charge them with notice. No such broad proposition is necessary to the ruling in this case. I do say, that, where the attorney of a creditor is prosecuting a debtor, to enforce payment of a debt, and, by reason thereof, the debtor discloses to him that he is insolvent, and asks his advice, and he assumes to give it, he may possibly find himself involved in some conflict of duty, for he certainly has no right to accept, in confidence, from the adverse party, information which his client ought to know, and which he ought not to conceal from him; but he cannot, by accepting such retainer, evade the operation of the rule. In every step of the prosecution of the claim to collection, he is the agent of the creditor, the performance of his duty to that creditor involves the gaining of knowledge of the debtor's insolvency, and no proffered confidence, put in him by the adverse party, can make that information less his client's property, or less information acquired in his agency, and imputable to such client.

The decree below must be affirmed.

Samuel Boardman, for the plaintiff.

Charles H. Smith, for the defendant.

ENOCH PIPER

vs.

GEORGE T. MOON AND OTHERS. IN EQUITY.

The claim of the letters patent granted to Enoch Piper, March 19th, 1861, for an "improvement in method of preserving fish," namely, "Preserving fish, or other articles, in a close chamber, by means of a freezing mixture, having no contact with the atmosphere of the preserving chamber, substantially as set forth," is void, for want of novelty.

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Whenever an article, already frozen, is preserved in frozen a state, in a close chamber, by means of a freezing mixture, which has the effect to keep the frozen article in such frozen state, while, at the same time, such mixture has no contact with the atmosphere of the preserving chamber, the claim of the patent is infringed.

(Before BLATCHFORD, J., Southern District of New York, December 16th, 1872.)

BLATCHFORD, J., in deciding this case, said, in substance :
The patent to the plaintiff, granted March 19th, 1861, is for an "improvement in the method of preserving fish." The specification says : "The nature of my invention consists in a method of preserving fish, and other articles, by placing them within a chamber, and cooling the latter by means of a freezing mixture, so applied that no communication shall exist between the interior of the preserving chamber and that of the vessels in which the freezing mixture is placed. The most important application which I propose to make of my invention is for preserving salmon, which are only taken in large quantities in high northern latitudes, in summer, so remote from our large cities, that they can be made available in a fresh state only by artificial congelation. Hitherto, the only method in use for preserving this kind of fish in a fresh state, has been to pack them with crushed ice in barrels or boxes. This method, however, owing to the melting of the ice, and the consequent moistening of the fish, fails to preserve them fresh and good for more than a month, at most ; whereas, by my new method and treatment, they can be kept as fresh and sweet as when first caught, and for any desirable length of time, even for years. I do not profess to have invented the means of producing artificial congelation, nor to have discovered the fact that no decay takes place in animal substances, so long as they are kept a few degrees below the freezing point of water ; but, the practical application of these to the art of preserving fish and meats, as above described, is a new and very valuable improvement. The apparatus for freezing the fish, and keeping them in a frozen state, may be constructed in various ways and of different shapes. The apparatus shown in the drawing, however, will suffice to illustrate.

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the principle and mode of operation." The specification then describes, with references to the drawings, a method of freezing the fish, by laying them, in small quantities, on a rack, in a box of wood, or other suitable material, which is surrounded by a packing of charcoal, or other suitable non-conducting material. Metallic pans, filled with a freezing mixture, such as salt and ice, are then set over the fish, and the cover is shut upon them. The specification proceeds: "The temperature in the box soon falls to ten or fifteen degrees below the freezing point of water, and, in about twenty-four hours, the mixture being changed once in twelve hours, the fish will be frozen completely through. After being thus frozen, the fish or meats may, if desired, be covered with a coating of ice, by immersing them a few times in ice-cold water, or by applying the water with a brush, or swab, several times, forming a coat of about one-eighth of an inch in thickness. To prevent the ice from cracking off, I then apply to the fish, when they are to be kept an unusual length of time, a cover of cloth, and, in the same manner, cover the cloth with another coating of ice; or, they may be coated with gum-arabic, india-rubber, gutta-percha, tin-foil, or any suitable substance, either in combination or separately, that will effectually exclude the air, and prevent the juices from escaping by evaporation, thereby preserving the same plump and fresh appearance as when first frozen." The specification then goes on to say, that the fish are then packed closely together, in a large preserving box, which is enclosed in a still larger box, the space between the two boxes being filled with charcoal, or other non-conducting material, to exclude the heat; that metallic tubes pass through the inner box, which are open at the upper ends, for the introduction of a freezing mixture, the lower extremities being formed with flanges screwed to the bottom of the box; that a small tube leads from the bottom of each tube to the outside of the outer box, to draw off the brine from the tubes; that the tubes project, at the top, through the cover of the outer box, when it is shut down, so that they may be charged with the freezing mixture, without opening the box; and, that, by

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keeping the tubes filled with the mixture of salt and ice, the temperature of the preserving chamber can be maintained, for any length of time, below the freezing point, and fish surrounded by the dry and freezing atmosphere will be preserved as fresh and good as when first caught, and for a much longer period than by any other method. The patentee adds: "I do not desire to be understood as confining myself to the use of the specific apparatus above described, nor to the use of either or both the preliminary processes of freezing and coating, but I have described the mode of operation which, by experience, I have found best for preserving the most delicate varieties of fish. In the case of meats, it is not necessary to resort to the coating process, especially beef and pork, preserved for salt packing, in warm weather, which can be done by this treatment, with no more loss than in the best winter weather, while the cold pickle, or brine, of the dissolving salt and ice, is ready made, and may be drawn off, as required, to pickle the barrels, after packing the meats, &c." The claim is in these words: "Preserving fish, or other articles, in a close chamber, by means of a freezing mixture, having no contact with the atmosphere of the preserving chamber, substantially as set forth."

In this specification, as is usually the case, the patentee first sets forth the nature of his invention, by stating in what it consists; and we expect to find that the claim corresponds with such statement of the nature of the invention, whatever may be set forth in the intervening descriptive part of the specification. The claim in the present case is not so worded as not to cover a process, or sub-process, less than the entire process, or series of processes, described in the specification.

The statement of the nature of the invention says that it consists in a method of "preserving" fish and other articles, by placing them within a chamber, and cooling the latter by means of a freezing mixture, so applied that no communication shall exist between the interior of the "preserving" chamber, and that of the vessels in which the freezing mixture is placed. The claim is for "preserving" fish or other

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articles, in a close chamber, by means of a freezing mixture, having no contact with the atmosphere of the "preserving" chamber, substantially as set forth. What is the meaning of the word "preserving," as so used, and what is the chamber that is so referred to as the "preserving" chamber? Manifestly, the word refers to the process to which the article is subjected in the chamber between the interior of which and the interior of the vessels containing the freezing mixture, there is no communication. That chamber is the preserving chamber. That chamber may be used to freeze the article by means of a freezing mixture, applied as stated, as well as to preserve it afterwards by means of a freezing mixture, applied as stated; and the claim may cover the process when the chamber is used both to so freeze and so preserve the article, and also when it is used only to so freeze the article, and also when it is used only to so preserve the article. The article is preserved, when it is only frozen in the chamber. It is preserved, when it is only kept in the chamber, after being first frozen elsewhere. It is preserved, when it is frozen in the chamber, and then continues to remain in the chamber. That this is the scope of the claim is shown by the fact, that the specification speaks of "the preliminary processes of freezing and coating," and states that the patentee does not confine himself to the use of either or both of those preliminary processes. The preliminary process of freezing referred to, is described as one of freezing the article in a box, where the open pans of salt and ice are shut up in the box with the article. It is not the process referred to in the claim, which expressly requires that the article shall be in a close chamber, and that the freezing mixture shall have no contact with the atmosphere of that chamber. Therefore, whenever an article, already frozen, is preserved in a frozen state, in a close chamber, by means of a freezing mixture, which has the effect to keep the frozen article in such frozen state, while at the same time such mixture has no contact with the atmosphere of the preserving chamber, the claim of the patent is infringed, provided that it is done "substantially as set forth" in the speci-

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fication. Full effect must be given to the words, "substantially as set forth." How is it set forth that the process must be practiced? It is not required that there shall be no contact between the article that is undergoing preservation and the metal which is interposed between such article and the freezing mixture. On the contrary, the specification says, that the fish are "packed closely together" in a box, directly through which run the metallic tubes which contain the freezing mixture. If the fish are thus packed closely together, some of them must be thus packed around the tubes. There is no direction that none of them are to be in contact with the tubes. It is true, that the specification speaks of the fish as being preserved because surrounded by a dry and freezing atmosphere. They will be surrounded by so much of a dry and freezing atmosphere as can surround fish packed closely together in contact with the tubes. All the atmosphere there is will be dry and freezing.

With this view of the claim, the invention covered by it, so far as preserving the frozen article is concerned, (and the claim covers that by itself,) is anticipated by what is proved in regard to the use of the process of preserving frozen ice cream. Anterior to the patentee's invention, ice cream, frozen, was preserved in a frozen state, in a close chamber, by means of a freezing mixture which had no contact with the atmosphere of the chamber. The frozen ice cream was thus preserved in a frozen state for a length of time, in one instance, as is shown, twenty-four days, and it might have been preserved an indefinite length of time by renewing the freezing mixture. The freezing mixture surrounded the metallic vessel containing the frozen ice cream, instead of being in pipes which ran through such vessel; but that made no difference in the process. Some of the frozen ice cream was in contact with the metal interposed between it and the freezing mixture, as some of the fish, in the practice of the plaintiff's process, are in contact with the metal interposed between them and the freezing mixture. All the atmosphere there was in the vessel containing the frozen ice cream was dry and freezing. The frozen ice cream was, in its frozen state, not a

liquid, but a solid. It was no more a liquid than a frozen fish is a liquid. A fish, before being frozen, consists largely of watery particles. If it did not, it could not be frozen, for it is the watery particles in it that are frozen. What is frozen in the ice cream, and what is frozen in the fish, is the same thing, the liquid parts. Those are proportionally greater in the unfrozen ice cream than in the unfrozen fish. That is the only difference.

The specification of the patent, in describing the process claimed, describes the process previously used for preserving frozen ice cream. All that the patentee has done, according to his claim, is to take the frozen ice cream out of the vessel, and put into it a fish or other article, frozen or unfrozen. That is no patentable invention. If the process of preserving the frozen ice cream had not existed previously, the use of such process, in the manner stated, would be within the claim of the patent, and would be an infringement of it. The prior use of such process must, therefore, be an anticipation of the claim of the patent, at least, in a case like this.

The patentee may be the first person who has practically succeeded in introducing into the market, at all seasons, salmon as fresh as when first caught, and may thus have supplied a great desideratum, and have established a business that is commercially profitable. He may have invented something, in that connection, which is capable of being protected by a patent, and he may have described in this specification, or shown in the model or drawings accompanying it, something which may be claimed, and well claimed, as an invention, and which may be secured to him by a reissue. But, the difficulty with the present claim is, that it is too broad, and that it covers nothing but a process, and that a process practised before, substantially in the manner set forth in the specification.

For these reasons, the bill must be dismissed, with costs.

Causten Borne and Jabez S. Holmes, for the plaintiff.

George Gifford, for the defendants.

St. John v. The Erie Railway Company.

THOMAS ST. JOHN

vs.

THE ERIE RAILWAY COMPANY. IN EQUITY.

A certificate for shares of stock in a railroad corporation declared that such stock should be entitled to preferred dividends, out of the net earnings, not to exceed a specified rate, after payment of mortgage interest in full. After the certificate was issued, the corporation borrowed money and issued bonds therefor bearing interest, and also took leases, on rent, of connecting railroads: *Held*, that the holder of the certificate was not entitled to be paid a dividend, before payment of the interest on such bonds, or of such rent. The meaning of the words, "net earnings," defined.

(Before BLATCHFORD, J., Southern District of New York, December 19th, 1872.)

BLATCHFORD, J. The plaintiff is the holder of certificates for shares of stock in the Erie Railway Company, which certificates declare him to be entitled to so many shares "in the preferred capital stock" of the company. Each certificate contains these words: "Said stock shall be entitled to preferred dividends, out of the net earnings, if earned in the current year, but not otherwise, not to exceed seven *per cent. per annum*, payable semi-annually, after payment of mortgage interest of said company in full." This preferred capital stock was issued in pursuance of the terms of a contract entered into, October 22d, 1859, between the shareholders and the creditors of a prior corporation, known as the New York and Erie Railroad Company. That company had, at the time, failed to pay at maturity certain of the coupons on bonds issued by it and secured by mortgages, and certain of its unsecured debts. Proceedings had been commenced against it, by certain of its mortgage creditors, to enforce the mortgage trust, and a receiver of the property covered by the latest two of the mortgages, (there being five,) had been ap-

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pointed. The shareholders, the bondholders under all of the mortgages, and the unsecured creditors, then entered into the contract referred to. It contemplated and provided for the formation of a new company, in which such shareholders in the former company should become shareholders, by exchange, to the same extent. It appointed two trustees, who were to purchase the mortgaged property, on a foreclosure sale, for account of the parties to the contract, and obtain possession of the property, displacing the receiver, and then receive its net earnings, and apply them to pay (1) certain floating debt of the old company, not exceeding \$320,000 of principal; (2) certain expenditures on the Long Dock property, estimated at \$500,000; (3) the "delayed mortgage coupons, in the order of their priority." The mortgages were to continue as mortgages, under the new company. This left to be provided for, the holders of unsecured bonds. By the contract, they agreed to exchange their bonds for preferred stock, equal in amount to the amount of the bonds, and of the overdue coupons, and of the coupons for two years in advance. The contract also provides, that "such preferred stock is to be entitled to preferred dividends out of the net earnings, (if earned in the current year, but not otherwise,) not to exceed 7 *per cent.* in any one year, payable semi-annually, after payment of mortgage interest and delayed coupons in full;" that the trustees might retain, from "said net earnings," a compensation for their services; and that, in case of a foreclosure, the trustees might assess a contribution to complete the purchase, the amount of such contribution "to be a charge upon the net earnings of the road, to be repaid before the payment of dividends upon the preferred stock, or to be funded, as the Board of Directors shall determine."

On the 4th of April, 1860, an Act was passed by the Legislature of New York, providing for the organization of the new company, by the name of the Erie Railway Company, after the sale on the foreclosure, and for the preservation of the mortgage liens. It also provided, that the capital stock of the new company should not exceed the amount of the

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capital stock of the old company, and of its debt unsecured by mortgage, and that the unsecured and judgment creditors of the old company might receive for their debts preferred stock of the new company.

On the 2d of April, 1861, an Act was passed by the Legislature of New York, reciting, that the trustees under the contract had purchased the property of the old company, under a decree for the foreclosure of the fifth mortgage, subject to the several mortgages thereon, and providing for the creation of the new corporation. It also provided, that the common capital stock of the new company should not exceed the outstanding capital stock of the old company; that the preferred capital stock of the new company should be equal to the amount of the total unsecured and judgment debt of the old company; that such preferred stock should "be entitled to preferred dividends out of the net earnings of said road, if earned in the current year, but not otherwise, not to exceed seven *per cent.* in any one year, payable semi-annually, after payment of mortgage interest and delayed coupons in full;" and that the holders thereof might "vote personally or by proxy, at all meetings of the corporation, in the same manner as the holders of common stock, but not otherwise."

On the 30th of April, 1861, the articles of association of the new corporation were entered into, reciting at length the said contract, stating that the preferred capital stock of the new corporation was to be equal to the amount of the total unsecured and judgment debts of the old company, recognizing the liability of the trustees to deliver preferred stock, and ratifying their acts in purchasing the property, and in executing their trust.

The delayed coupons were all of them paid, and the trust was discharged. Preferred stock, to the amount of \$8,536,910, was issued by December 31st, 1868. The defendants regularly paid dividends on the preferred stock, until that due for the year 1868, which one they did not pay.

The practical question involved in this case is, whether the

holders of the preferred stock are entitled to a seven *per cent.* dividend annually, before interest is paid by the defendants on one million of pounds of sterling bonds issued by them in 1865, after the preferred stock was created, and before rent is paid by the defendants on any leases taken by them since January 1st, 1862, of roads which they operate in connection with their own.

The earnings of the defendants for the year ending December 31st, 1868, after deducting the ordinary operating expenses, the interest paid on mortgages existing January 1st, 1862, and the rents of roads leased prior to January 1st, 1862, were sufficient to pay a dividend to some amount on said preferred stock. If no interest had been paid by the defendants on said sterling bonds, and no rent for roads, leases of which were taken after January 1st, 1862, such earnings were sufficient to pay a dividend to some amount on said preferred stock. The sterling bonds referred to are unsecured by mortgage, and bear interest at six *per cent. per annum*, in gold coin. They were issued for money borrowed by the defendants at various times after the issuing of said preferred stock, which money it was necessary for them to borrow to equip and repair their road, and which money was expended for those purposes. The bonds are in the hands of holders for value and in good faith. During the year 1868, the defendants necessarily paid interest on said bonds to the amount of \$388,494 65. During the same year, the defendants paid \$362,995 35, as the rent, for that year, of roads the leases of which were taken by it after January 1st, 1862.

The prayer of the bill is, that the Court will ascertain and adjudge the meaning of the words "net earnings," and to what roads, property, and franchises they relate, and the rights and priorities of the preferred stockholders, and the construction of said contract, statutes, and certificates of stock, and the duty of the defendants in regard to keeping accounts of earnings, and to paying the same, and the order and priority of their payment, and that the defendants be enjoined from applying any portion of their net earnings, after

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payment of the interest on said mortgage bonds, to any other purpose than the payment of a dividend on said preferred stock.

It is contended, on the part of the plaintiff, that, as the unsecured bondholders to whom the preferred stock was issued, stood, when the contract was made, next in order, as creditors, to the holders of the mortgage bonds, they became entitled to occupy the same relative position as holders of preferred stock, and to receive their dividends on such stock, out of the earnings, before the payment of interest on obligations incurred after the issuing of such stock, and of rents of roads the leases of which were taken after the issuing of such stock; that the words, "after payment of mortgage interest and delayed coupons in full," do not mean, merely, "before any dividend is paid on the common capital stock," but mean, "next after payment of mortgage interest and delayed coupons in full;" that this construction is sensible, because of the prior position of the preferred stockholders as holders of unsecured bonds entitled to be paid interest next after the payment of mortgage interest; that they did not waive, but preserved, their position, as entitled to such interest, and only modified their right in regard to the repayment of the principal of their debts; that the provision in the contract, that the contributions by assessment should be repaid out of the net earnings, before the payment of dividends on the preferred stock, shows that it was not intended that anything should be interposed before the payment of such dividends, except what was specially expressed; that the preferred stock is only a new form of security for the debts in exchange for which it was issued, holding the same place, and entitled to be paid the same interest, as such debts were entitled to when the exchange was made, subject to the proviso as to the earning of the interest in the current year; that the holders of the preferred stock are not subject to the contingencies of new loans and new leases and extended enterprises; that, while the contract contains no limitation on the power of the defendants to take new leases, or to issue interest-bearing securities,

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it contains a limitation on their power of disposing of their net earnings, of which all persons making such leases, or lending money on such securities, had notice; that the shares of preferred stock are, in fact, perpetual bonds, with no right to the repayment of the principal, but with a specified preferential right in regard to interest; that the fact that it is called "stock," and that it is declared to be entitled to "dividends," and that its holders have an equal right to vote with the holders of the common stock, cannot destroy the rights which appertain to it by the terms of the contract; that separate accounts should be kept of the losses and profits of the several leased roads; and that there must be devoted to the payment of dividends on the preferred stock, the earnings of the line, as it existed when the stock was issued, less the expenses of operating such line, including rents for any part of it, and less the interest on the mortgage debt.

I do not think that a fair and reasonable construction of the contract, with which the language of the statutes, and of the certificates of stock, is in harmony, sustains the views urged on the part of the plaintiff. The words are not, "next after payment of mortgage interest." They are, "after payment of mortgage interest." The contract, in its fifth article, provides that the holders of the unsecured bonds agree to exchange them for "preferred stock," "to be entitled to preferred dividends out of the net earnings." The only way, mentioned in the contract, in which the stock was to be "preferred stock," was, that it was to be entitled to "preferred dividends." What was that word "preferred" to mean? "Preferred" over what? Were the dividends to be "preferred" over, and to be paid before, the mortgage interest on the five mortgages, so as to become, in fact, by the agreement of the holders of the mortgage bonds, who were parties to the contract, a virtual mortgage on the net earnings, to the extent of such dividends, prior to the lien of the five mortgages? But for some expression of intention, in the contract, on that subject, the mere word "preferred" might be construed so to mean. It otherwise might mean,

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not merely "preferred," as respected the holders of common stock, but "preferred" as respected the securities held by all other parties to the contract. Therefore, something must be inserted to exclude such an inference, and to secure to the holders of mortgage bonds a priority as to the payment of their delayed coupons, and of their future interest. Such priority was, accordingly, secured, by adding the words, "after payment of mortgage interest and delayed coupons in full." There is nothing to show that the words have any other effect, or were intended to have any other effect. An intention that they should have such effect, which is a reasonable effect, is inferable from the fact that they clearly have such effect, and it is unreasonable to infer any other intention, when that intention is a sufficient reason for inserting them. Without them, there is nothing to give the mortgage interest a priority over the "preferred dividends." In this view, it is impossible to see in them anything except the expression of a priority in favor of the mortgage interest over the "preferred dividends," and impossible to see in them any expression of a priority in favor of the "preferred dividends" over anything.

So, also, in regard to the provision for the repayment of the contributions. It had been before declared that the mortgage interest should have priority over the "preferred dividends." It was now desired to declare that the repayment of the contributions should have priority over the "preferred dividends;" and it was so declared. But, here again, there is nothing declaring a priority of the "preferred dividends" over anything.

The priority of the "preferred dividends" over anything depends wholly on the meaning of the word "preferred." Now, what is it that is entitled to "preferred dividends?" It is "preferred stock." But, such stock is not declared to be anything more than stock entitled to "preferred dividends." In that sense only, is its character as "preferred stock" defined by the contract. What it is entitled to is "dividends," and only "dividends," and they are of a defined

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and special character. It is entitled to nothing else. It has no privilege or priority, by reason of being "preferred stock," except in reference to stock that is not so preferred, that is, common stock. In reference to such common stock, the preferred stock is entitled to its specified preferential dividends, and it is not entitled to anything else in reference to anything.

The former holders of the unsecured bonds of the old company, by taking the preferred stock in exchange for their bonds, abandoned their position as creditors, and became merely stockholders in the new company, as against then existing, and all future, creditors of the new company. They acquired the same right to vote as the holders of common stock. In the absence of any expressed intention to the contrary, it would be very unreasonable to suppose that the general power of the defendants to take leases of roads, and pay the rents on them, and to borrow money, and issue bonds therefor, and pay the interest on such bonds, would have been subordinated by the Legislature, or by themselves, to the rights of any class of their stockholders, and equally unreasonable to suppose that the claims of creditors would have been postponed to those of stockholders. When to this is added the consideration, that short roads leased, though unprofitable as to their immediate traffic, may increase largely the profits of a long main line which they feed, and that moneys borrowed and expended in renewing and repairing what was the main line when the preferred stock was issued, may go largely to create any net earnings there may be, not only is the impracticability of the views urged on the part of the plaintiff such as to make it most unlikely that anything was done in accordance with such views, but the injustice of postponing the claims of the lenders of such moneys, to be paid their interest out of such net earnings, to the rights of stockholders to dividends therefrom, is too manifest to need remark.

Moreover, the views urged on the part of the plaintiff, if sound, must be carried to their legitimate conclusions. The

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money has been borrowed on the sterling bonds. Their holders are creditors. If the company should become bankrupt, are the claims of those creditors to be repaid their principal, to be postponed to the claims of the preferred stockholders, in respect to the capital of their shares? Why not, if there is to be such postponement as between interest to the creditors and dividends on the preferred stock? The stock is, in the contract, declared to be "preferred stock" as well as to be entitled to "preferred dividends." The statute and the certificates call it "preferred capital stock." If "preferred stock," why should it not have preference over the principal of subsequently created debts, if dividends on it are to precede the payment of interest on such debts? Yet, such a claim would probably never be advanced, and certainly would not be admitted.

The statement in the contract, the statute, and the certificates, that the "preferred dividends" are to be paid out of the "net earnings," sheds no light, one way or the other, for a solution of the question. The mortgage interest and the delayed coupons are also to be paid out of the net earnings. Net earnings are, properly, the gross receipts, less the expenses of operating the road to earn such receipts. Interest on debts is paid out of what thus remains, that is, out of the net earnings. Many other liabilities are paid out of the net earnings. When all liabilities are paid, either out of the gross receipts or out of the net earnings, the remainder is the profit of the shareholders, to go towards dividends, which, in that way, are paid out of the net earnings. That this is the meaning of the expression "net earnings," in the contract, is shown by the fact, that the contract states that the trustees are to receive the net earnings, and out of them pay the floating debt, and the delayed coupons, and by the further fact, that the contract, the statute, and the certificates state that the mortgage interest is to be paid out of the net earnings, by stating that the preferred dividends are to be paid out of the net earnings, "after payment," (that is, out of the net earnings,) "of mortgage interest."

The United States v. Vermilye.

It results, from these considerations, that the bill must be dismissed, with costs.

Dorman B. Eaton, for the plaintiff.

William W. McFarland, for the defendants.

THE UNITED STATES

vs.

WASHINGTON R. VERMILYE AND OTHERS, COMPOSING THE FIRM
OF VERMILYE & Co., AND THE ADAMS EXPRESS COMPANY.
IN EQUITY.

An obligation of the United States, commonly called a seven-thirty note, issued under the Act of March 3d, 1865, (18 *U. S. Stat. at Large*, 468,) payable to the order of _____, and not having the name of any person filled into such blank space, is in the same condition as if payable to bearer, and is, therefore, negotiable by delivery.

The writing of anything on the back of such note, while such blank is not filled up with the name of a payee, does not amount to an endorsement on, or of, such note, in the sense of that word, in the law merchant, so as to restrict the negotiability of the note, or to make it non-negotiable by delivery merely.

A person who purchases such a note after its maturity, and after the time for its conversion into bonds has passed, takes nothing but the actual right and title of his vendor. .

Such a note is not money, but is only evidence of the indebtedness of the United States for money borrowed.

A carrier of such a note, for hire, has such a special property in it, that, if it be stolen from him, and be found in the possession of a person who took it after maturity, and who shows no better title to it than the title of the thief, the carrier may recover it from such person, by action.

The carrier, on paying the value of the note to his bailor, becomes the equitable assignee of the title of the bailor to the note.

(Before BLATCHFORD, J., Southern District of New York, December 27th, 1872.)

The United States v. Vermilye.

BLATCHFORD, J. The bill in this case sets forth, that the defendants Vermilye & Co. claim to own five of the obligations of the United States, known as seven-thirty notes, for \$1,000 each, issued June 15th, 1865, and three of such notes, for \$100 each, issued July 15th, 1865; that such eight notes were sent by Vermilye & Co. to the plaintiffs, for payment or redemption, Vermilye & Co. claiming that they purchased said notes in good faith and for a valuable consideration, without notice or suspicion that the seller was not the owner thereof; that the defendant the Adams Express Company likewise claims to be the owner of all of said notes, and that the same were stolen from it about May 22d, 1868, and that it never parted with the title to the same; that each of such claimants has notified the plaintiffs not to pay or deliver the notes to the other; that the plaintiffs have always been willing to deliver the notes, and to pay the moneys secured thereby, to the person lawfully entitled to receive the same; that they offer to deliver the same into this Court; and that they do not collude with either claimant, and have not brought this suit at the request of either or both, and have not been indemnified by either or both. The prayer of the bill is, that the defendants may interplead and settle their rights to the notes, and to the money secured thereby, and that the plaintiffs may be at liberty to deliver the notes to this Court, and that the defendants may be enjoined from commencing any suit against the plaintiffs, touching the premises, and that the plaintiffs, upon the payment into Court of such amount, and procuring the defendants to interplead, may be discharged of all liability to the defendants in the premises.

The answer of Vermilye & Co. avers their ownership of the notes, and denies that the Adams Express Company has any interest in, or title to, them. It avers, that the notes were purchased and received by them in the ordinary course of business, at their banking house in the city of New York; that, at the time of said purchase, they paid therefor the full value of the notes in said city; that they so purchased and

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paid for the same in good faith, and without any knowledge or notice that the parties from whom the same were purchased were not the owners thereof and lawfully entitled to the same, and in the full belief that said persons were such owners and so entitled; that they forwarded the notes to the Secretary of the Treasury, at Washington, for redemption and payment, the notes having then become due, and for no other purpose; that it was the duty of the plaintiffs to have redeemed and paid the notes to them, or to have returned them to them; and that they demanded a return of them from the plaintiffs, before the commencement of this suit. The answer asks that the Court will adjudge that Vermilye & Co. are the owners of the notes, and entitled to recover and receive the same, or the amount due thereon.

The answer of the Adams Express Company denies the ownership of Vermilye & Co., and that they purchased the notes in good faith, and for a valuable consideration, without notice or suspicion that the seller was not the owner thereof. It sets up ownership in the Company, and avers that the Company is a carrier and forwarder of money packages for hire; that it was so, in May, 1868, between New Albany, in Indiana, and the city of New York; that, on the 19th of May, 1868, the First National Bank, at New Albany, Indiana, owned one of the \$1,000 notes; that, on that day, and at that place, its cashier endorsed said note as follows: "Pay Secretary of the Treasury, for redemption. W. Mann, Cas.," or, "Pay Secretary of the Treasury, for conversion. W. Mann, Cas.;" that the note, so endorsed, was placed and secured in an envelope, which was addressed to the Secretary of the Treasury of the United States, at Washington; that, on the same day, the package containing the note was delivered to the Company, for transportation by it to its address; that, while the package was in the possession of the Company, as carrier, it was feloniously, and with force and arms, taken from the possession of the Company, by some unknown persons, not through any negligence of the Company; that the note subsequently appeared in circulation, but not bearing, with legible

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distinctness, such endorsement, but yet bearing traces of it sufficiently legible to indicate to any one conversant with such notes, that its negotiability had been restricted by an endorsement which had been attempted to be obliterated; that the fact of such attempted obliteration was and is plainly perceptible on the note, and was the cause of the refusal of the Secretary of the Treasury, in the first instance, to redeem or convert it; and that the Company has fully paid the bank for the note, and is entitled to its possession, and to be paid the amount due on it. The answer prays for a decree to that effect. It also sets up, that, on the 21st of May, 1868, the First National Bank of Clarksville, Tennessee, was the owner, in its own right, or as depositary, of the other seven notes; that those notes, endorsed by its cashier, or their owners, were securely enveloped and addressed to B. Seaman, Cashier, New York, and the package was delivered to the Company, for transportation to New York; that such package was feloniously taken from the custody of the Company, at the same time, and under the same circumstances, with the package from New Albany; that the endorsements on the notes were attempted to be obliterated in the same manner, and to the same extent, and no more, as in the case of the note from New Albany, and they came to Vermilye & Co. in the same manner as that note; and that the Company has fully paid the Clarksville Bank for the notes, and is entitled to their possession, and to the amount due thereon. It prays for a decree to that effect. It also avers, that Vermilye & Co., prior to receiving the notes, were notified by the Company of the fact of such larceny, and were furnished by it with the numbers of the notes, and of the series thereof, and were fully notified thereby, and also by the appearance of the notes, that the same had lost their negotiable character, and were tainted, in their title thereto, in the hands of those who passed them to Vermilye & Co.; and that, if Vermilye & Co. parted with value for the notes, they did so in violation of the notices given to them by the Company, of its property in the notes, and without the exercise of ordinary care and scru-

tiny, and with full knowledge, from the appearance of the notes, that they had been tampered with.

The notes in question were all of them issued under the authority of the Act of March 3d, 1865, (13 *U. S. Stat. at Large*, 468.) They all of them bear on their faces the words: "Act of March 3d, 1865." The New Albany note, one for \$1,000, and the four Clarksville notes for \$1,000 each, bear date June 15th, 1865. The other three Clarksville notes, for \$100 each, bear date July 15th, 1865. The \$1,000 notes read, on their faces, in this way, in engraving: "Interest twenty cents per day. Three years after date, the United States promise to pay to the order of _____ one thousand dollars, with interest, at $7\frac{1}{8}$ per cent., payable semi-annually, in lawful money. Washington, June 15th, 1865. Treasury Department. Act of March 3d, 1865." They also bear the signatures, on their faces, of the Register of the Treasury and of the Treasurer of the United States. On the face of each are the words, in engraving: "5 coupons attached. Last 6 months' interest payable with note. Prior instalments payable only on presentation of coupons therefor;" also, the words, in engraving: "The Government reserves the right of paying, in coin, the interest on this note, at the rate of six per cent. per annum." On the back of each note are the words, in engraving: "Pay to bearer," in a panel, with a blank space underneath, in the panel, in which words could

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be written. On the back of each note are, also, the words, in engraving: "At maturity, convertible, at the option of the holder, into bonds redeemable, at the pleasure of the Government, at any time after five years, and payable twenty years from June 15th, 1868, with interest at six per cent. per annum, payable semi-annually, in coin." The \$100 notes differ from the \$1,000 notes, only in having the words "two cents," instead of "twenty cents," the words "one hundred" instead of "one thousand," and the words "July 15th" instead of "June 15th."

The fact of the larceny of the notes from the possession of the Express Company and their ownership by the banks, as set up, is fully proved. They were stolen during the night of the 22d of May, 1868, out of a railroad car, the iron safe, in which they were, being taken away, with its contents, after the messenger in charge of it had been knocked senseless by the robbers. On the 29th of May, 1868, a printed handbill, advising of the stealing of the New Albany note, as a United States 7-30 note for \$1,000, second series, Act of March 3d, 1865, and giving its number, was delivered to a person behind the counter of Vermilye & Co., in their office in New York. This handbill cautioned all persons against receiving or negotiating the note, and stated that the Express Company claimed the right to recover its possession, and that it was endorsed, "Pay Secretary of the Treasury for redemption. W. Mann, Cashier." The handbill purported to be issued by the President of the Express Company, and was dated New York, May 28th, 1868. On the 5th of June, 1868, another printed handbill, dated Cincinnati, May 28th, 1868, advising of the stealing of the New Albany note, as a United States 7-30 note for \$1,000, second series, issued under the Act of March 3d, 1865, and endorsed as before mentioned, and giving its number, and of the four \$1,000 Clarksville notes, as United States 7-30 bonds, of \$1,000 each, June 15th, and giving their numbers and letters, and of the three \$100 Clarksville notes, as United States 7-30 bonds, of \$100 each, dated July 15th, 1865, and giving their numbers and

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in regard to the five \$1,000 notes, that "the general appearance of the notes warrants the belief that the payee's name has been extracted from the face of the notes." As it is not shown, or claimed, that the name of any payee was ever inserted in the blank on the face of any of the notes, this remark has no meaning. In the absence of the insertion of any names in such blanks, the notes were all of them in the same condition as if payable to bearer, and were, therefore, negotiable by delivery; and the writing of anything on the backs of the notes, while the blanks after the words "order of" were not filled up with the names of payees, did not amount to an "endorsement" on, or of, the notes, in the sense of that word, in the law merchant, so as to restrict the negotiability of the notes, or to make them non-negotiable by delivery merely. (*Wookey v. Pole*, 4 Barn. & Ald., 1; *White v. Vermont & Mass. R. R. Co.*, 21 Howard, 575; *Mercer County v. Hackett*, 1 Wallace, 83; *Murray v. Lardner*, 2 Id., 110; *Saunders v. Bacon*, 8 Johnson, 485; *Tappan v. Ely*, 15 Wendell, 362.) And these doctrines apply to these notes issued by the United States, in like manner as if they were the notes or bonds of a corporation or of an individual. (*Texas v. White*, 7 Wallace, 700; *Texas v. Hardenberg*, 10 Wallace, 68.)

But, while Vermilye & Co., if they purchased these notes in good faith, before their maturity, without notice of any defect of title in the sellers, might be protected, and be held to have acquired the title to the notes, yet a very different question is presented, when it appears, as it does, that the notes were all of them purchased after their maturity. When they were so purchased, the time for their conversion into bonds had long passed. They were then merely overdue obligations, payable in lawful money. A person who takes a bill or note, which, on the face of it, is overdue, cannot claim the privileges which belong to a *bona fide* holder without notice; and, if he chooses to receive it under such circumstances, he takes it with all the infirmities belonging to it, and is in no better condition than the person from whom he received it, and takes nothing but the actual right and title of his

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vendor. (*Andrews v. Pond*, 13 *Peters*, 65, 79; *Goodman v. Simonds*, 20 *Howard*, 343, 365, 366; *Texas v. White*, 7 *Wallace*, 700, 735; *Texas v. Hardenberg*, 10 *Wallace*, 68, 90.) The last two cases cited show that these doctrines apply to securities issued by the United States. In *Texas v. White*, the Court say, that the known usage of the United States to pay all bonds as soon as the right of payment accrues, requires the application of the rule respecting overdue obligations to bonds of the United States which have become redeemable. The right to convert into bonds the seven-thirty notes which matured June 15th, 1868, expired July 15th, 1868, and the right to convert into bonds the notes which matured July 15th, 1868, expired August 1st, 1868. The notes, therefore, after those dates, remained, in the hands of any holder of them, good only for the principal secured by them, and for unpaid interest up to the date of their maturity, as expressed on their face. The holder of them was losing interest on his money by holding them. He could use them only for what their value was, principal and interest, at their maturity. They were thus, in fact, less valuable to their holder than an ordinary promissory note of a solvent maker would have been, after its maturity. This condition of these notes is shown by the fact that Vermilye paid for them one-half of one *per cent.* less than their principal, with the addition of the unpaid interest up to maturity. The fact that they continued to be bought and sold after their maturity, and after interest had ceased on them, did not make them any the less overdue obligations, or relieve them from the operation of the rules of law in regard to such obligations. Vermilye & Co. still took the risk of the title of the vendor. There may have been many reasons, in respect to particular notes, why they passed in the market after maturity, and why the interest on the money represented by them was being lost to the holder. It does not necessarily follow that all of such notes had been stolen, so as to establish such usage as a usage to deal in stolen notes after maturity, even if such usage could be of any force.

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We have no evidence of the extent of the dealing in such notes after maturity, as compared with the entire amount of the notes issued. With the known usage of the Government to pay its obligations at maturity, and the loss of interest, and the rejection of the privilege of conversion, all of which facts were apparent to Vermilye & Co. by inspection of the notes, there is every reason for holding them to the rule, that they took nothing but the actual right and title of their vendor. That was nothing but the title of the thief. No principle applicable to the protection of those who deal in negotiable securities before their maturity, requires that these notes, in the position they occupied after their maturity, should be regarded as other than overdue obligations. Mr. Trowbridge, one of the defendants, who negotiated the purchase of the notes in question, testifies, that, when he bought them, he knew they were past due. They had been past due from nine to ten months. In connection with this fact, it is not inapt to remark, that, whatever may be said in regard to holding a party bound by such notice as was given to Vermilye & Co., in this case, in respect to dealing in Government securities such as these notes, before their maturity, it is not at all unreasonable to regard such notice given June 5th, 1868, in respect to securities which would become, and which became, due, some June 15th, 1868, and the rest July 15th, 1868, as a good notice in respect to dealing in the particular securities named in the notice, after they became overdue.

There is no force in the suggestion, that the notes in question were a part of the currency of the country, and were money, in the same sense as bank notes. They were issued under the Act of March 3d, 1865, (13 *U. S. Stat. at Large*, 468,) and so state on their faces. The 3d section of that Act expressly provides, that nothing contained in that Act shall be "construed as authorizing the issuing of legal tender notes in any form," although a previous part of the 3d section had provided that all the provisions of the Act of June 30th, 1864, (*Id.*, 218,) which were applicable to the obligations to

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be issued under the Act of 1865, should apply to them. The reason for this evidently was, that the 2d section of the Act of 1864 provided, that certain seven-thirty notes, authorized by it, and to be made payable, principal and interest, in lawful money; at maturity, not exceeding three years from date, should be a legal tender to the same extent as United States notes, for their face value, excluding interest; and it was intended that the seven-thirty notes to be issued under the Act of 1865 should not be a legal tender. The 1st section of the Act of 1865 shows that the seven-thirty notes issued under that Act were only evidences of the indebtedness of the United States for money borrowed by it.

It is objected, on the part of Vermilye & Co., that the Express Company has no title to, or interest in, the notes, other than that which arises from its having paid the amounts of the notes to the banks, and that there is no evidence of any transfer to the company of the titles of the banks, or of any other person, to the notes. The company had these notes in its possession, as a carrier for hire. In virtue of that relation, it had such a special property in them, that it could maintain an action to recover them, against the thief. If so, no good reason is perceived why it could not also maintain an action to recover them against Vermilye & Co., if they were found in the hands of Vermilye & Co., after having been taken by the latter under the circumstances shown in this case. This being so, the company ought to be allowed to rely on such special property, as against Vermilye & Co., when it is shown that Vermilye & Co. have no better title than the thief who stole the notes from the company. The company was clearly liable to the bailors for the loss of the notes; and, when it is shown, in addition to such special property of the company, that it has paid the value of the notes to the bailors, in discharge of such liability, it must be held, that, in equity, there has been an assignment to the company of all the title of the bailors to the notes. The facts proved are sufficient to establish the right of the company, as against Vermilye & Co., to receive payment of the notes from the United States, and to

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protect the United States in paying the notes to the company.

There must be a decree in favor of the Express Company.

Clarence A. Seward and *Charles M. Da Costa*, for the Express Company.

John E. Burrill, for Vermilye & Co.

THE LOCOMOTIVE ENGINE SAFETY TRUCK COMPANY

v8.

THE ERIE RAILWAY COMPANY. IN EQUITY.

The claim of the letters patent granted to Alba F. Smith, February 11th, 1862, for an "improvement in trucks for locomotives," namely, "The employment, in a locomotive engine, of a truck or pilot wheels, fitted with the pendent links, o, o, to allow of lateral motion to the engine, as specified, whereby the drivers of said engine are allowed to remain correctly on the track, in consequence of the lateral motion of the truck, allowed for by said pendent links, when running on a curve, as set forth," is a claim for the use in, and the combination with, a locomotive engine, (that is, a structure having, at its rear end, not a swivelling truck, but non-swivelling driving wheels, with axles rigidly attached to the body of the engine,) of a swivelling pilot or leading truck, provided with pendent links, to allow the forward part of the engine to move laterally over the truck, when the truck and the driving wheels are not together in a straight track, whereby the forward part of the engine can move onward in a line tangent to a curve, while the axles of the driving wheels are parallel, or nearly so, to the radial line of the curve, and the axles of the truck wheels also become parallel to the radial line of the curve, because the truck is made to swivel around the king-bolt, by the action of the rails on the flanges of the truck-wheels.

The nature of the invention covered by such claim, explained.

Such claim is not anticipated by the patent granted to Bridges and Davenport, May 4th, 1841, for an "improvement in railway-carriages," although such patent shows the use, at each end of a railway-car, of a swinging bolster, in a

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truck swivelling on a king-bolt, the body of the car being connected to the truck-frame by pendulous links, from which such body is hung, whereby a lateral motion of the truck is permitted, independently of the body of the car.

Nor is such claim anticipated by the patent granted to Kipple and Bullock, December 20th, 1859, for an "improvement in car-trucks," although the mode of operation of the Kipple and Bullock truck, *per se*, in a car having a like truck at the other end, is the same, for all the purposes of the truck itself, that it is in a structure which has driving wheels at the other end.

Nor is such claim anticipated by the patent granted to Levi Bissell, August 4th, 1857, for an "improvement in trucks for locomotives."

The arrangement of Bissell, explained.

The combination of Smith was patentable, because it produces a new mode of operation, and new results, in the structure as a whole, although the truck used by Smith was old, and, as respects itself, in swivelling and in having a lateral movement, operates in the same way as it did in the car which had two of such trucks.

The fact that Smith's patent is granted for an "improvement in trucks for locomotives," and that the truck he uses was old, and that his invention is really an improvement in locomotives, forms no objection to the validity of the patent.

Under a bill alleging an infringement by making *and* using the patented invention, the allegation is sustained by proof of using alone.

The 1st section of the Act of May 4th, 1858, (11 *U. S. Stat. at Large*, 272,) which provides, that a suit not of a local nature, brought in a District in a State containing more than one District, against a single defendant, shall be brought in the District in which the defendant resides, does not apply to a case where the single defendant is a corporation created by such State.

(Before BLATCHFORD, J., Southern District of New York, December 30th, 1872.)

BLATCHFORD, J. This suit is founded on letters patent granted to Alba F. Smith, February 11th, 1862, for an "improvement in trucks for locomotives." The specification describes the invention as an "improvement in trucks for locomotive engines." It says: "Several laterally moving trucks have been made and applied to railroad cars. My invention does not relate broadly to such laterally moving trucks, but my said invention consists in the employment, in a locomotive engine, of a truck or pilot wheels provided with pendent links, to allow of a lateral movement, so that the driving wheels of the locomotive engine continue to move correctly on a curved track, in consequence of the lateral

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movement allowed by said pendent links, the forward part of the engine travelling as a tangent to the curve, while the axles of the drivers are parallel, or nearly so, to the radial line of curve. In the drawing, I have represented my improved truck itself. The mode of applying the same to any ordinary locomotive engine will be apparent to any competent mechanic, as my truck can be fitted in the place of those already constructed, or the same may be altered, to include my improvement." The truck has four wheels, on two axles, and a frame made in the usual manner of the frame of an ordinary locomotive truck. It has a centre cross bearing plate or platform, made of two thicknesses of iron plate, riveted together, and embracing the upper bars of the frame; and a bolster, made of a flanged bar, through a hole in the centre of which the king-bolt passes. The king-bolt also goes through an elongated opening in the bearing plate, to allow a lateral motion to the truck beneath the bolster. At the same time, the king-bolt is a connection, to hold the truck to the engine. The bolster takes the weight of the engine in the middle, and is itself suspended at the ends of bars attached to the moving ends of pendent links, which are attached by bolts, at their upper ends, to brackets on the frame. The distance between the bars, transversely of the truck, is slightly more than that between the bolts, so that the pendent links diverge slightly. The specification says: "When running upon a straight road, the engine preserves great steadiness, because, any change of position, transversely of the track, in consequence of the engine moving over the truck, or the truck beneath the engine, is checked by the weight of the engine hanging upon the links, and, in consequence of their divergence, any side movement causes the links on the side towards which the movement occurs, to assume a more inclined position, while the other links come vertical, or nearly so. Hence, the weight of the engine acts with a leverage upon the most inclined links, to bring them into the same angle as the others, greatly promoting the steadiness of the engine in running in a straight line. As

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the pilot or truck wheels enter a curve, a sidewise movement is given to the truck, in consequence of the engine and drivers continuing to travel as a tangent to the curve of the track. This movement, and the slight turn of the whole truck on the king-bolt, not only causes the truck wheels to travel correctly on the track, with their axles parallel to the radial line of the curve of track, but also elevates the outer side of the engine, preventing any tendency to run off the track upon the outer side of the curve. Upon entering a straight track, the truck again assumes the central position, and, in case of irregularity in the track, or any obstruction, the truck moves laterally, without disturbing the movement of the engine. I do not claim laterally moving trucks, nor pendent links, separately considered." This claim is: "The employment, in a locomotive engine, of a truck or pilot wheels, fitted with the pendent links, *o, o*, to allow of lateral motion to the engine, as specified, whereby the drivers of said engine are allowed to remain correctly on the track, in consequence of the lateral motion of the truck, allowed for by said pendent links, when running on a curve, as set forth."

The proof shows that the defendants have used, in this District, an engine, built by them at Dunkirk, in the Northern District of this State, which has four flanged driving wheels, and contains the invention claimed in Smith's patent. The issue is as to the novelty of the invention. In order to determine this question, it is necessary to clearly see what invention is claimed in Smith's patent.

He does not claim laterally moving trucks, that is, trucks with laterally swinging bolsters. Nor does he claim pendent links, by themselves. Laterally moving trucks, applied to railroad cars, which had at each end one of such trucks, free also to swivel around a king-bolt, which connected the car to the truck, and passed through the centre of the swinging bolster, which was the centre of the truck, were old. The specification so admits. But, Smith's invention, as claimed, is for the use in, and the combination with, a locomotive engine, (that is, a structure having, at its rear end, not

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a swivelling truck, but non-swivelling driving wheels, with axles rigidly attached to the body of the engine,) of a swivelling pilot or leading truck, provided with pendent links, to allow the forward part of the engine to move laterally over the truck, when the truck and the driving wheels are not together in a straight track, whereby the forward part of the engine can move onward, in a line tangent to a curve, while the axles of the driving wheels are parallel, or nearly so, to the radial line of the curve, and the axles of the truck wheels also become parallel to the radial line of the curve, because the truck is made to swivel around the king-bolt, by the action of the rails on the flanges of the truck wheels.

In going around a curve with a locomotive engine, the axles of the two pairs of driving wheels tend to assume a parallelism to that radius of the curve which is equidistant between the two axles. If the pilot truck has no lateral swing to its bolster, but merely swivels on the king-bolt, the tendency of the action of the truck wheels, on a curve, is to force the king-bolt into a position over the centre of the track. That action is resisted by the body of the engine, and, to accomplish it, the driving wheels must be twisted out of their proper position, and must slip and grind on the rails. The reason of this is, that a line drawn longitudinally through the centre of the engine, at right angles to that radius of the curve which is equidistant between the two axles of its driving wheels, will not strike the king-bolt at the centre of the track, unless the driving wheels are so caused to slip. Hence, it was customary, with a pilot truck which only swivelled, and had no lateral swing to its bolster, to make the front driving wheels without flanges, so that they might slide sidewise. But, the antagonism is reconciled, by allowing the king-bolt and the forward end of the engine to move laterally, so as to keep in a line substantially at right angles to the axles of the driving wheels, and outside of the centre of the track, the king-bolt being no longer controlled, in its position, by the truck, and there being no twisting of the driving wheels out of position.

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Another feature, developed in the use of the pendent links, is pointed out in the specification, which is, that, on entering a curve, the outer side of the engine, as the truck moves inward laterally under it, is elevated, so as to counteract any tendency to run off of the track on the outer side, by the centrifugal action, and, as the mode of hanging the links causes the link on the outer side to assume a more inclined position, while the other link becomes more nearly vertical, the weight of the elevated engine acts to steady the engine, and restore it to a position midway between the rails, on returning to a straight track. This feature of the links also acts to keep the engine steady, when on a straight track.

The patent granted to Bridges and Davenport, May 4th, 1841, for an "improvement in railway carriages," shows a swinging bolster, in a truck swivelling on a king-bolt, the body of the car being connected to the truck frame by pendulous links, from which such body is hung, whereby a lateral motion of the truck is permitted, independently of the body of the car, the sidewise motion being checked by springs in the truck. But, the specification of that patent does not suggest the use of such a truck in any other structure than a car having one of such trucks at each end, and two king-bolts. Nor did it, or the use of two of such swinging bolsters in a car, suggest, from 1842 to 1862, the combination of such a swinging bolster truck with a locomotive engine, for the purposes set forth in Smith's specification.

In the truck described in Smith's specification, the side springs of Bridges and Davenport are dispensed with, the divergence of the pendent links being used, instead, to check the sidewise movement. This precise construction of divergent links is shown in the patent granted to Kipple and Bullock, December 20th, 1859, for an "improvement in car trucks." Their use has the tendency to elevate the outer side of the car on a curve, and the tendency to steady the body of the car through its weight on the links that are most inclined, and the tendency to limit the lateral movement, without using side springs. But, although the mode of operation of a

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Kipple and Bullock truck, *per se*, in a car having a like truck at its other end, is the same, for all the purposes of the truck itself, that it is in a structure which has driving wheels at the other end, yet the moment the truck swivelling on a king bolt is taken out of the other end of the structure, and driving wheels take its place, the mode of operation of the structure as a whole becomes different from the mode of operation of the structure with the two swivelling trucks. This is conceded by the expert for the defendants, and is quite manifest. The mode of operation becomes such as is described in Smith's specification, and no such mode of operation exists in the structure with the two trucks. Moreover, the existence of the Kipple and Bullock patent, and the use of cars each with two of their trucks, does not seem to have suggested, before the invention of Smith, the use of one of such trucks, as a pilot truck in a locomotive engine, to obviate the well-known difficulties in using the engine on a curve.

The only other pre-existing invention brought up to affect the novelty of the Smith invention, is the patent granted to Levi Bissell, August 4th, 1857, for an "improvement in trucks for locomotives." Bissell's truck is shown used under the forward part of a locomotive engine. It has a provision designed to allow a lateral motion to the truck, independently of the motion of the body of the engine, and a provision to cause the forward part of the engine to mount up an incline, towards the outer side, in a curve, and thus check the sidewise movement, and to descend, by its gravity, to the normal position, on resuming the straight track. The specification of Bissell's patent says, that the object of his invention is, "to retain the truck with the axles always at right angles to the rail, whether on a straight or curved track, and prevent the truck swinging around on its centre pin, in case of meeting with any obstruction, and to make the curvature of the rail the means for turning the truck so that the axles are parallel to the radial line of the given curve, in which position they are retained firmly until the direction of the track again changes." The specification then points out the difficulties, in the use of

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locomotive engines on curves, with the ordinary pilot truck, resulting in a "constant sidewise sliding motion on the rail," in consequence of the driving wheels being forced in a line deflected from that of a cylindrical forward rolling motion, and in a constant bearing of the truck to the outer side of the curve, and in the tendency of the engine to go off the track, "particularly in case a broken rail or obstruction occurs, when the truck swivels around on its center pin." It then proceeds: "I, therefore, construct my truck in such a manner that the axles of the driving wheels shall be on the line of, or parallel to, the radial line of the curve, so as always to have a direct forward propelling motion, and not strain or wear the rail or flanges of the wheels, and so that two or more pairs of drivers can be fitted with flanges. Consequently, the centre line of the locomotive, in going around the curve, travels as a tangent to the centre of the drivers, and, to accommodate the curve, I fit the truck or forward wheels in such a manner as to allow of a transverse motion, the said truck swinging laterally upon an axis of motion, *h*, located centrally between the centre of the drivers and truck, (or slightly forward of the same,) so as to give a slight tendency to the truck to run to the inner side of the curved track. Thereby, the axles of the truck wheels are parallel (or nearly so) to the radial line of the curved rail, and the engine runs around any given curve without much more strain, either on the wheels or the track, than would occur on a straight railroad; and, at the same time, there is no chance for the truck to turn on its centre pin, by any obstruction coming in contact with the wheels, and the wheels will pass over a broken rail, and not be displaced, unless all four wheels are simultaneously unsupported, and, even then, the wheels and truck, being set correctly to the angular position with the drivers and the curvature of the track, will continue to move in the correct direction, and pass over any obstacle or broken rail, and attain the uninjured part of the track; and, in running on a straight track, the truck is held correctly in position, and will run over quite considerable obstruction without being

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turned aside. In running on either a straight or curved track, one of the truck wheels often breaks off, and the truck swivels around on its centre pin in consequence, and throws the engine off the track ; but, with my device, one wheel, or even the two wheels on the opposite sides diagonally of the truck, might break off, and still the truck would not run off, because its position is set, and it has no axis of motion around which it could swing, when injured as above stated, or when meeting a broken rail or any obstruction, but is given a direct forward propulsion ; and, in all cases, the axles of my wheels have only a strain and torsion due to the difference of length between the outer and inner rails, instead of a strain due to the binding of the flanges of the wheels, from the diagonal position of the axles, in addition to the above named strain ; hence, axles so often break when running around a curve. With my engine, the friction on the rails, in running around curves, is avoided, and I am enabled to maintain a nearly uniform speed, without any unusual strain or wear on any parts." The specification of Bissell then describes the construction of his apparatus, with references to drawings. It says that the centre pin, (which is the king-bolt in the centre of the truck,) in his arrangement, "changes its character from a centre of motion, simply to that of a draft block or pin, while the centre of motion is thrown back to the point *h*, which is slightly forward of the centre between the drivers." There is, at the centre of the truck, a block, whose longest direction is across the track, and whose longest sides are parts of circles, of which *h* is the centre, or, as the specification expresses it, "curved from the centre *h*." There is a similar curved slot in the top plate of the truck frame, which slot is sufficiently long to allow of the lateral movements of the truck, when the locomotive is on a curve of the smallest radius that it ever has to travel over. The curved block, might, it is stated, be bolted directly to the under side of the engine, and the curved slot would bring the axles of the wheels parallel with the radial line, or nearly so ; but, to allow an easier motion to the parts, the blocks may be prevented

from turning by radius bars leading to the centre *h*. The patentee states, however, that he prefers that the radius bars should be attached to the truck frame, so as to cause the truck to swing on the centre *h*, in which case the curved block may be made use of, or the centre pin be fitted to move in a curved slot. He then describes the arrangement and use of the inclines before mentioned, to check the lateral motion.

It is apparent, that the truck, in Bissell's locomotive, has no swivelling motion around its centre pin or king-bolt, that is, around the centre pin in the centre of the truck, which connects the truck with the engine. Bissell expressly states, that such centre pin loses its character as a centre of motion, and becomes simply a draft block or pin, and that the centre of motion of the truck, that is, its only centre of motion, is thrown back to the point *h*, outside of the truck. He further says, that, although his truck has a centre pin, it has "no axis of motion around which it could swing." It has only a motion in the arc of a circle, of which the pin *h*, located between the truck and the driving wheels, is the centre, such motion being a swinging motion of the whole truck across the track. It follows, inevitably, that the position of the pin *h* regulates the position of the axles of the truck relatively to the track, and that the absence of free swivelling in the truck around its centre prevents the action of the rails on the flanges of the truck wheels from regulating the position of such axles on a curve. When the pin *h* is equidistant between the centre between the axles of the driving wheels and the centre between the axles of the truck wheels, the axles of the truck wheels may, on a curve, be in their proper position, that is, parallel to a radius of such curve half way between such axles. But, that is not true in reference to any other position of the pin *h*; and, even when the pin *h* is in that position, the axles of the truck wheels can never be in such proper position, when the engine is entering a curve, or leaving a curve, or changing from a curve in one direction to a curve in another direction, because, the position of such axles depends on the position of the pin *h* with reference to the track, and the driving wheels

control the position of the pin *h*. A geometrical demonstration shows, that, if the pin *h* be equidistant from the centre between the axles of the drivers and the centre between the axles of the truck wheels, the axles of the drivers and the axles of the truck wheels will, when they are all on the same curve, be in their proper positions; that, if the pin *h* is not thus equidistant, one or the other set, or both sets, of axles will, on the same curve, be in a wrong position; that, when the drivers are on a curve, and the truck wheels are on a straight part of the road, the pin *h* can never be in such a position as to allow the axles of the truck wheels and the axles of the drivers, all of them, to be in their proper positions; and that this holds equally true when the truck wheels are on a curve and the drivers are on a straight part of the road, and, also, when the truck wheels are on one curve and the drivers are on another curve. The action of the drivers, through the pin *h*, is to twist the truck wheels on the track, and control the position of their axles, in correspondence with the direction of the longitudinal centre line of the engine.

In the engine of Smith, the truck wheels and the drivers can, at all times, when the engine is on a curve, and when it is entering a curve, and when it is leaving a curve, and when it is passing from a curve in one direction to a curve in another direction, take their proper positions respectively, without either being controlled or interfered with by the other. The reason for this is, that the truck, in the Smith engine, has a swivelling motion on its king-bolt, and also admits of the swinging motion, across the track, of the engine over the truck, or the truck under the engine. Neither of these motions affects the other. If either motion interfered with the other, the same result would follow as in Bissell's engine, and the position of the drivers would, at times, control the position of the axles of the truck wheels. But, with Smith's arrangement, the track alone controls the position of the axles of the truck wheels, and, therefore, they assume their correct position on any track, straight or curved, and on any form of curve, and whether the drivers are on a straight track with

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the truck wheels, or on the same curve with the truck wheels, or on a straight track while the truck wheels are on a curve, or on a curve while the truck wheels are on a straight track, or on one curve while the truck wheels are on a different curve. This is a result not attained in Bissell's engine, and it results from the fact that the arrangements and modes of operation of the two structures are different. The truck wheels, in Smith's engine, are never twisted on the track, and the direction of the longitudinal centre line of the engine does not affect the position of their axles.

It results, from these considerations, that, in the engine, as a whole, the Smith arrangement of truck is not merely an equivalent for the Bissell arrangement of truck; because, when the former is substituted for the latter, the resulting structure has a different mode of operation and produces results which the other structure cannot produce. The thing to be looked at is the combined and mutual action of the drivers and the truck wheels, for that was the problem which both Bissell and Smith were trying to solve. Smith's claim is, substantially, a claim to the combination with the drivers, of a truck arranged as he describes, allowing of the lateral motion described, and securing the proper position of the drivers on the track, on curves. That combination is not found in Bissell's engine.

It needs no argument to show, in view of the foregoing considerations, that there was a patentable novelty in the combination which Smith made in his engine, although the truck which he employed existed before, as the Kipple and Bullock truck. The combination produces a new mode of operation, and new results, in the structure as a whole, although the truck, as respects itself, in swivelling, and in having a lateral movement, operates in the same way as it did in the car which had two of such trucks. It was not apparent, without experiment, that the use of a swinging bolster swivelling truck, in an engine, would relieve all the difficulties attendant on the use of driving wheels on curves. If it had been, Bissell would have adopted the truck of Bridges

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and Davenport, instead of resorting to the contrivance he made. Hence, what Smith did was not, as is urged, merely to apply an old contrivance, in an old way, to an analogous use.

It is urged, that Smith's patent is void, granted, as it is, for an "improvement in trucks for locomotives," because, although he may have invented a combination of the truck with a locomotive, yet he invented no improvement in the truck, but used the truck of Kipple and Bullock; that the invention of such combination is the invention of an improvement in locomotives, or of a new locomotive, or of an improved locomotive, or of a combination of truck and locomotive; and that the patent is void as a patent therefor, because it is not granted as a patent therefor, but is granted as a patent for an "improvement in trucks for locomotives." In this connection, reference is made to the fact, that, in his specification, Smith says, that figure 1 of his drawings is "a plan of my truck;" and, also, that, "in the drawing, I have represented my improved truck itself;" and, also, that "my truck can be fitted in the place of those already constructed." The body of the specification speaks of the invention as an "improvement in trucks for locomotive engines." The statute required that the patent should contain a short description or title of the invention, correctly indicating its nature and design. This patent substantially conforms to the statute. As a truck to be used in a locomotive engine, the truck Smith describes as to be employed, is an improvement on Bissell's truck employed in an engine. Smith's invention is an improvement in the use of trucks in locomotive engines, an improvement in the use, for locomotives, of trucks. It is a new and useful improvement; and the class of inventions to which it belongs, the class which embraces its nature and design, is that of trucks for locomotives, trucks used in locomotives. The claim is, to the employment, in a locomotive, of a truck constructed in a certain way, and producing a certain result, in the action of the drivers, on a curve. The title in the patent does not require that the claim should be one to

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an invention in respect to the truck *per se*. The expression, "my truck," in the specification, has reference, obviously, when the statement of the nature of the invention, and the claim, are considered, to the truck which Smith describes as the one he was intending to use in the engine, to produce the results specified. The patent, therefore, is not open to the objections thus urged.

The answer sets up, that the larger portion of the road of the defendants, and of the operations thereon conducted, is not within the jurisdiction of this Court; that all of the engines built by them, which are alleged to infringe the Smith patent, were constructed by them at Dunkirk; that the use of said engines is largely confined to the western division of their road; and that such construction and larger use were not, and are not, within the jurisdiction of this Court. It is contended, for the defendants, that, as the bill avers that they "have constructed and built, and caused to be constructed and built, and are now using, trucks for locomotives, constructed in accordance with, and containing and embodying," the invention patented by Smith, and that the plaintiffs "have reason to believe that they will continue to make and use the same," and that the defendants refuse to pay to the plaintiffs any of the profits which they have realized from "such unlawful making and using," and, as the bill prays that the defendants may be decreed to pay to the plaintiffs the profits which they have made "by reason of such unlawful manufacture and use," and may be enjoined "from making, constructing and using trucks for locomotives constructed substantially in accordance with" the patented invention, the bill is based on the making *and* using, in the conjunctive; that its frame is such, therefore, that, if the plaintiffs cannot, under it, recover for the making, they cannot for the using; that they cannot, in this suit, recover for the making of the only engine proved to have been made or used by them, containing the invention patented, because, although such engine is proved to have been used in this District, it is proved to have been made in the Northern District of this State;

that, by the 6th section of the Act of April 3d, 1818, (3 *U. S. Stat. at Large*, 415,) the original jurisdiction of this Court is confined to causes arising within this District, and is declared not to extend to causes of action arising within the said Northern District; that the cause of action arising out of the making of such engine is, therefore, not within the jurisdiction of this Court; and that, as the bill is founded on the making *and* using, there can, consequently, be no recovery whatever under it, on the evidence as to the one engine.

I do not think these views are sound. They overlook the fact, that the bill avers that the defendants refuse "to desist from using" the invention patented; that the grant, in the patent, is of the right "of making, constructing, using, and vending to others to be used;" that an infringement may be committed by making, or constructing, or using, or vending to others to be used; that an allegation, in the bill, of making *or* using, would be bad pleading; and that an allegation of making and using, is proved, to all intents and purposes, by proof of using alone. Indeed, the allegation, in the bill, that the defendants have "constructed and built, and are now using, trucks for locomotives constructed in accordance with, and containing and embodying" the patented invention, is, by no means, an allegation which necessarily implies that any of the structures which are used by the defendants were built by them, or that any of the structures which were built by them are used by them. It may as properly be read, that they have constructed infringing structures, and that they are, also, using infringing structures.

Under this bill, therefore, the plaintiffs, having proved an infringement by the use, in this District, of the engine referred to, are entitled to a decree for an accounting by the defendants in respect of all infringements committed in this District, by making, or using, or vending therein; and to an injunction against making in this District, and against using therein, and against vending therein. If the plaintiffs desire to proceed for an account and an injunction in respect of infringements in the Northern District, they must proceed by

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bill filed there. The defendants are suable in the Circuit Court for that District, their legal existence, under their incorporation by the State of New York, being co-extensive with the territorial limits of that State.

The 1st section of the Act of May 4th, 1858, (11 *U. S. Stat. at Large*, 272,) which provides, that "all suits not of a local nature, hereafter to be brought in the Circuit and District Courts of the United States, in a District in any State containing more than one District, against a single defendant, shall be brought in the District in which the defendant resides," has no application to this case. Although this suit is one not of a local nature, that is, is what, if it were a suit at law, would be a transitory action, yet the Act has no application to a case where the single defendant resides as fully in all the Districts in the State as in any one of them. A corporation, if it can be properly said to "reside" at all, resides in all the Districts of the State creating it. It is doubtful whether the Act applies to corporations.

A decree will be entered in accordance with the foregoing directions, with costs to the plaintiffs.

Charles M. Keller and Charles F. Blake, for the plaintiffs.

Clarence A. Seward, for the defendants.

WILLIAM A. KIRBY AND OTHERS

vs.

THE DODGE AND STEVENSON MANUFACTURING COMPANY AND
OTHERS. IN EQUITY.

The state of the art, prior to the date of the alleged invention of Byron Densmore, embraced in letters patent granted to him February 10th, 1852, for an "improvement in grain harvesters," set forth.

In that patent, Densmore does not claim shifting the position of the axle of the main wheel, relatively to the height of the cutter frame, nor placing the main

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wheel in one frame and the cutter, or platform and cutter, on another, nor hinging the cutter frame and the wheel frame together, so as, by the action on the hinge, to effect the raising or lowering of the cutter.

Such omission to claim, in that patent, anything in respect to using two frames, or hinging one frame to the other, is evidence, when the novelty of the device is in dispute, that Densmore was aware that he could not claim to be the first inventor of anything more than the special arrangement, or relative position, of the parts.

The question, whether the first claim of the reissued patent granted to William A. Kirby and others, January 28th, 1862, on the surrender of the said patent of 1852, and extended, January 30th, 1866, for seven years from the 10th of February, 1866, namely, "Hanging the driving wheel in a supplemental frame, or its equivalent, which is hinged, at one end, to the main frame, while its opposite end may be adjusted and secured at various heights, or be left free, as desired, whereby the cutting apparatus may be held at any desired height, for reaping, or be left free to accommodate itself to the undulations of the ground, for mowing, substantially as described," can be sustained, if construed so as to embrace anything except the special and specific arrangement described and shown in the original patent, with its specification, drawings and model, is not, upon the facts in this case, concluded by the decision in *Whiteley v. Kirby*, (11 *Wallace*, 678.)

If such claim be regarded as a broad claim to hinging the frame of the cutters to the wheel frame, and making it adjustable by changing the relative elevation of the two frames, it is not new.

If such claim be regarded as claiming a device to permit the cutters to vibrate, so as to follow the undulations of the ground, when in use, it is invalid, for the reason that Densmore had not invented any such device when his original patent of 1852 was granted.

The obtaining of such reissue was an attempt to extend the original patent over a feature which it did not embrace, and which the patentee had not conceived when he obtained that patent.

The defendant's machine held not to infringe the first claim of said reissue, construed as claiming the specific arrangement of two frames in the position and mode of operation described in the specification.

(Before WOODRUFF, J., Northern District of New York, December 30th, 1872.)

WOODRUFF, J. The complainants herein complain that the defendants have infringed, and are infringing, their rights, as assignees of a certain patent granted to Byron Densmore, on the 10th of February, 1852, for a new and useful "improvement in grain harvesters," surrendered and reissued to the complainants January 28th, 1862, and thereafter, on the 30th of January, 1866, extended for the term of seven years from the expiration of the first term, namely, from the 10th

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of February, 1866. The defendants deny that Byron Densmore was the first inventor of the improvement described in the reissued letters patent, and aver that such reissue was fraudulently and illegally granted, and was obtained in order to include, and does include, things not invented by Densmore, and not intended to be patented by him, and that such reissued letters patent are for a different invention from that originally patented, and are invalid and void. They also allege, that the improvement described in the reissued patent had, prior to February 10th, 1852, been invented, and was known and used by other persons, who are named in the answer; and that it was described in certain letters patent, also mentioned. They also deny that they have made or sold any machines whatever containing the said alleged invention of the said Densmore, as set forth in the specification, and specified in either of the claims, of said reissued patent, and deny that they have in any manner whatsoever infringed the said letters patent.

The infringement alleged relates solely to the first claim in the reissued patent granted to the complainants. "The nature and principle of the invention" included in that claim are declared, in the specification, to relate "to the construction and combination of two frames, the one for supporting the driving wheel, and the other for supporting the cutting apparatus, and hinging the said frames together, in such a manner that the driving wheel and cutting apparatus may each follow the inequalities of the ground independently of the other, and, also, that they may be bolted rigidly together for supporting the cutting apparatus at any desired height." The claim, with which the patentees conclude their description of the construction and mode of operation of the improved machine, is as follows: "Hanging the driving wheel in a supplemental frame, or its equivalent, which is hinged, at one end, to the main frame, while its opposite end may be adjusted and secured at various heights, or be left free, as desired, whereby the cutting apparatus may be held at any desired height, for reaping, or be left free to accommodate itself to

the undulations of the ground, for mowing, substantially as described."

Prior to Densmore's alleged invention, reaping machines had been made by McCormick, and others, consisting of a large wheel bearing on the ground, surrounded by a rectangular frame, in the sides of which the axle of the wheel turned, and at the end of which the platform and cutting apparatus was attached, that cutting apparatus extending sidewise from this frame to the distance or width of the swath of grain proposed to be cut. Gearing was connected with the ground wheel, and operated by its revolution, when drawn over the ground, upon arms, swivels, and rods, which moved the cutters and severed the grain, which, when severed, fell upon the platform, and was raked off into gavels. As a machine so constructed was liable to tilt sidewise, and, under the weight of the platform and cutters projecting sidewise, must necessarily tilt sidewise, a small wheel was also placed at the outer end of the platform and cutter-bar, which sustained the cutters, and, if the ground was level, also sustained the frame, to the end of which the platform was attached, and in which frame the axle of the main wheel was placed, and so prevented the tilting or upsetting of the machine. This involved, also, another necessity in the construction, namely, the platform and cutters must be rigidly attached to the frame, else, the smaller wheel at the outer end could not operate to support the frame, or the wheel moving therein, and to prevent the tilting referred to. There were, perhaps, other reasons why the platform must, in such a machine, be attached with great firmness and strength, but it is sufficient for my present purpose, to make the general construction of the machine intelligible. Densmore had seen one of McCormick's machines, in which, in order to raise or lower the cutters, there were two or more holes in the side pieces of the frame, in either of which the axle of the main wheel could be placed, and, by the change, the height of the cutters from the ground would be varied. Densmore, instead of relying upon such holes for inserting the axle in the side pieces of the frame, which must,

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I think, have been inconvenient to change, made a model in which he inserted uprights, with long curved tenons, in mortices, in the sides of the frame, at the place of the axle of the wheel, and inserted the axle of the wheel therein, and so, by raising those uprights in the mortices, and depressing them, at pleasure, a similar effect, to raise or lower the cutters, was produced. In view of this change of construction, as well as other devices, Densmore, on the 3d of June, 1849, filed a caveat in the Patent Office. Long prior to this, McCormick made numerous machines, wherein the cutters could be raised and lowered, so as to cut at different heights, by another device, which will be hereafter noticed. Densmore, however, took out no patent for the machine as described in his caveat. He made a model, in which he placed a second rectangular frame upon the other, and of somewhat less length. Near the middle of this he placed the axle of the main wheel, with the gearing connected therewith. Obviously, such additional frame, when lying flat upon the upper surface of the other, amounted simply to giving the side pieces of the latter greater width, but, for facility in raising or depressing the cutters, by lowering the frame to which they were attached, he attached one end of the upper frame to the lower frame by a hinge, so that, (acting on the axle of the wheel as a fulcrum,) by raising and lowering the other end of it, he lowered and raised the lower frame beneath the axle of the wheel, producing the precise effect before caused by raising and lowering the long tenoned uprights into and from the mortices before mentioned; and, at the forward end of the upper frame, he set, in the lower frame, uprights, to which that forward end was bolted, at any desired elevation, by bolts, easily removed and inserted in holes, higher or lower, in the uprights, at pleasure. It was this machine, imperfectly described, perhaps, but this in substance, that was shown in the model and drawings, when he took out his patent, in 1852. In these descriptions, I, of course, omit notice of devices for raking and reeling, and for adjusting the outer or platform wheel, because they are not material to any question now in issue.

McCormick had, as early as 1835, employed the other device, (above alluded to,) for raising and lowering the cutters, so as to cut at different heights. He placed his main wheel, with the gearing connected therewith, in one frame, and the platform and cutters were fastened to another frame, the sides of which were not laid upon nor placed beneath the other, but ran along the sides, parallel therewith, so as to embrace the rear ends thereof. The sides of both of the frames were attached by a bolt passing through them, as a pivot or hinge, so that the cutter frame, turning on that pivot, could be raised or lowered, at pleasure. At the forward ends of the arms of the cutter frame, three holes were made in the wheel frame, at different heights, through which to bolt the cutter frame, and fix it in the several positions which raising or lowering the cutters required, and it was entirely practicable, by withdrawing the last mentioned bolt, to permit the platform and cutter, or rather the ends of the supporting cutter frame, to rest upon the ground. Whether, when so resting on the ground, the machine was a practical machine, useful for mowing, it may be material hereafter to consider. For the present, I describe the machine.

Passing by what is claimed by the defendants to have been done by others, and omitting to further describe the state of the art, I have mentioned what had been done by McCormick before 1852, and what Densmore did prior to the granting of his original patent of February 10th, of that year. He then received his patent, and it is of some significance, that, in his specification, he in no wise claims that shifting the position of the axle of the main wheel, relatively to the height of the cutter frame, is new, nor that placing the main wheel in one frame and the cutter, or platform and cutter, on another, is new, or that hinging the cutter frame and the wheel frame together, so as, by the action on the hinge, to effect the raising or lowering of the cutter, is new. Obviously, with McCormick's machine before him, he could not broadly claim either of these. The utmost he could claim, if anything, on these several points, was the particular

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device by which these operations were performed, in so far as it differed substantially from McCormick's. Possibly, the placing one frame above another, to be operated in the manner I have attempted to describe, and as shown in his drawings and model, was patentable. But, in fact, he made no claim even to this. His claims were confined solely to other devices, to assist in raking the grain and supporting the blades of the cutters. He does state that his arrangement for raising and lowering the machine, to vary the height of cut, is new; and that is entirely consistent with what is above stated. McCormick's arrangement of the parts employed in this operation was not identical with his. In function, and effect, and mode of operation, they did not differ, but, in arrangement or relative position, they were unlike. I mention this omission to claim anything in respect to using two frames, or hinging one frame to the other, not because a patentee may not claim in a reissue what, through mistake or inadvertence, he did not claim in his original patent, but, because it is evidence, when the novelty of the device is in dispute, that Densmore, when he took out his patent, was aware of what McCormick had done before him, and was conscious that he could not claim to be the first inventor, or, certainly, not of anything more than the special arrangement, or relative position, of the parts.

The foregoing explanations will, I think, make the consideration of the questions below stated intelligible—first, whether the reissued patent, if constructed so as to embrace anything except the special and specific arrangement described and shown in the original patent, with its specification, drawings and model, can be sustained; and, second, whether, if the reissued patent is valid for any purpose, or to any extent, the defendants infringe any rights secured to the complainants thereby.

I. Upon the first question, it is insisted, by the complainants, that the decision of the Supreme Court of the United States, in *Whiteley v. Kirby*, (11 Wallace, 678,) is conclusive in their favor, and that this Court should not assume to dis-

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cuss the correctness of that decision. The decision in that case does not operate as an estoppel upon the defendants in this. Nevertheless, the decision of a question of law arising upon the same facts, is an authority which I am not at liberty, and have no disposition, to disregard. But, that case was a very different one from this in its facts, and, if I were at liberty to do otherwise, I should unhesitatingly concur in the decision of the point which was actually decided, upon the evidence which appears to have been before the Court. Entertaining the views I do upon the question of infringement, it is not indispensable that I should consider this first question, but, in the aspect of the case which is urged by the defendants, there is no necessary inconsistency with that decision; and the observations I deem it proper to make upon this reissue seem to me conclusive against the construction of the reissue upon which the complainants rely, and in no conflict with the former case.

The machine of Densmore, described in the original patent, and shown in the specification, drawings and model, was a reaper, and not a mower. It was a machine which not only was not shown to be a mower, but, as described and shown, it had not, in fact, capacity to mow, in any sense material to this case. By no means shown or suggested could the cutters be made to follow the undulations of the ground. The terms of the specification are explicit: "The front end of the frame is *fastened* to the upright pieces by *bolts*, and these bolts are shifted into different holes in these upright pieces, to vary the height of the cut." No terms could have been employed to state more positively, that, when in use, the front end of the frame must be bolted to the uprights. The drawings show the front ends of the frame thus bolted; the model shows the same; and there is no intimation or suggestion of the practicability of using the machine in any other condition. The patentee showed a reaper, with its platform, rake, reel, &c. To any suggestion, that it might, nevertheless, cut grass at or near the surface of the ground, the answer is—if it were so bolted as to cut grass near the ground, then it did not follow

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the inequalities of the surface—the vital thing to make a useful mower, and the very thing which the reissue sought to embrace.

It was not until after the granting of the original patent, that any attempt is proved to use the machine as a mower. That rests upon upon the testimony of the patentee, who himself shows that it was an unsatisfactory experiment, and was abandoned. Other testimony leaves even this experiment in great doubt. But, let it be assumed, for the moment, that, in the summer of 1852, Densmore did mow one acre of grass with it. When that experiment was made, the machine was changed, changed in substance, changed in its capacity, and changed in its actual functions. First, by removing the bolt which secured the ends of the wheel frame, the cutter frame was allowed to drop to the ground. Before this, the wheel frame carried the cutters; and, to that end, the frames had been, and, according to the description given in the patent, must be, bolted together; and the conception of a machine which was not so bolted, or which did not carry the cutters at an elevation (greater or less) from the ground, had not been, in any manner, indicated. Removing the bolt, and relying upon the ground to sustain the frame of the cutters, was a distinct and different device, involving a difference in mechanical construction, the performance of a different function, and a different mechanical operation. In principle, removing a bolt does not differ from adding a bolt; and, in the machine described in the original patent, that bolt was a mechanical device, performing a precise and defined mechanical office, and, according to the terms of the specification, as it was in fact, indispensable to that office. Removing this, to produce a different result, was tantamount to adding another device to the same end. An entirely distinct and different function was also thereby introduced into the machine, namely, by the oscillation or vibration of the frame, to permit the cutter frame to undulate, as the unevenness of the ground might make desirable; and, finally, the mechanical operation of the machine in the work was different, in that, before, the cutters had a

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rigid connection with the wheel frame, and now they were to be operated through a flexible attachment thereto, and, also, in that, before, the cutting apparatus was sustained and borne by the joint action of the two frames, and now it was borne forward by the one frame alone to which it was attached. In short, it became a different mechanism in relation to the work to be performed, and in the manner of performing it. It will not do to say that it was within the scope of the original patent, because the alteration was effected by the trifling change of removing a bolt. That is not the test. Many a useful and valuable invention has been made, of a device so simple and so seemingly trifling, that men wonder that it was not made long before. The inquiry is, was such a device before known, and, in this case, also, was this device for suffering the frame of the cutters to follow the ground, in any manner indicated in Densmore's patent, or his specifications, drawings, or model. If not, then his patent does not, and cannot legally be made to, embrace it.

Again, this removing of the bolt, and thereby letting the frame of the cutters to the ground, and permitting them to be drawn along the surface, was not, of itself, a new device. It could be done, and had been done, by McCormick, in his machine. The proof shows this, and to an extent quite as great as the experiment of Densmore in mowing the single acre to which he testifies. In this, there was, no doubt, the dawn of a new conception, which has since matured, and has produced what is known as the floating finger-bar, of which there is not the slightest intimation in Densmore's record, and of which, I am satisfied, when his patent was granted, he had no idea; and, even when he tried his unsatisfactory experiment, he had no more found or shadowed that important invention, which now gives utility and value to mowing machines, than McCormick had, when, years before, his machines were used in mowing, by a similar change in their organization. In either, if a bolt was removed, the cutter frame was made to rest on the ground.

It is urged, that the machine of McCormick, when such

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bolt was withdrawn, was useless, and not a practical machine, and, in the face of the testimony to its actual use, some witnesses express that opinion. There is, at least, equal weight of evidence, that the same is true of Densmore's machine, as patented, and there is, besides, further, and, to my mind, satisfactory, evidence, that, from and after the experiment alluded to, he did not regard it as a practical machine for use, with the bolt withdrawn, and did not so treat it. It did, according to his testimony, mow one acre of grass, but his testimony also shows that the experiment was unsatisfactory; and, at least as much is proved in favor of McCormick's machine, in this respect, as of Densmore's. Several witnesses speak upon this subject, and they give a most satisfactory reason why Densmore's machine would not operate successfully when the bolt was withdrawn, and the frame of the cutting apparatus rested on the ground. The machinery by which the cutting apparatus is operated is only moved as the main wheel revolves, and the motion is effected by gearing connected with that wheel. Unless the wheel bears heavily upon the ground, it will wholly or partially slide, instead of turning. Its power to turn the gear wheels is derived from its firm hold on the ground, and, if it slide, the machinery does not operate successfully. The witnesses say, and it seems quite obvious, without proof, that, removing the bolt, and permitting the cutter frame to fall to the ground, removes from the wheel all the weight of the cutter frame and platform, and the greater part of the weight of the cutter bar, and so renders the wheel liable to slide on the ground, instead of properly turning the gear wheels and operating the cutters.

The suggestion of impracticability comes from the complainants and their witnesses. They allege, that McCormick's machine, when the bolt by which it was held in a fixed position was removed, ceased to be a practicable machine. As a reaper, and carrying the heavy platform, cutter bar and cutters, that may be so; but, if it is, then, for the same reason, and to the like extent, Densmore's machine was impracticable also. Indeed, he so testifies; and it is, I think, clear, that

neither were or could be successfully used, when constructed as they were constructed and described, namely, for reaping, if the bolt was removed and the frame of the cutting apparatus was suffered to rest on the ground. It is true of both, that they were reapers, and not mowers. Both were adjustable, and both, when used, were firmly bolted, so as to retain the cutters in a fixed position, whether higher or lower. Densmore's record of his original patent neither shows nor suggests anything else. When used, the frames were united, so as to be, in substance, one frame, wholly incapable of the vibration sought to be claimed in the reissued patent; and it appears, most conclusively, that, until after the granting of the patent, Densmore never contemplated such removal at all. Adjustment to more than one fixed position was all that he had conceived; and, if it had been proved that he afterwards, by a change in his machine, succeeded in giving the cutter frame a vibratory motion, accommodating it to the undulations of the ground, in a manner not before invented, it is immaterial to the present questions, whether the change was great or small. Invention may be as necessary to reform or adapt an existing machine to the performance of work which it would not, as originally constructed, perform, as it is to make a new machine; and, whether this is done by removing a device or by adding one, by removing a bolt or by inserting a bolt, by making an apparently great mechanical change or a small one, the principle governing the subject is the same. The change being a substantial one, and producing a different result, may, if it be new, be the subject of a new patent; but it is not to be covered by the reissue of an old one, which in no wise disclosed or suggested it, and, especially, when, in truth, the patentee had no conception of it when his patent was granted. Many an inventor has come so near to a discovery and its application, that an apparently very slight change completes it and gives it great value, and yet he never attained the result. A striking instance illustrates this, and is singularly apt to the present discussion. Japy, brothers, as early as 1835, invented a machine for smoothing brass

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pans, kettles, &c. It served only to make the surface smooth, after the pan or kettle, &c., had been reduced by other slow, and what would now be deemed tedious, means, to the desired form. Subsequent ingenuity has shown, that a very slight change, either in the form of the edge of the smoothing or burnishing tool, or even of the direction of its contact with the pan, &c., (the parts being appropriately strengthened for the purpose), produced the machine for spinning metals to form, which has revolutionized the manufacture. (*The Waterbury Brass Co. v. Miller*, 9 *Blatchf. C. C. R.*, 77.)

But, I have not noticed the whole change which was necessary in order to bring the machine within the claim of the reissued patent. Something more than removing the bolt and suffering the frame of the cutters to fall to the ground was necessary; and, on this point, the witnesses for both parties agree. Even according to the testimony of Denmore himself, the other part of the machine must be modified, by removing the platform, rake, reel, and cutters, and substituting a different cutter bar. No such thing had been conceived by Denmore, or in anywise appears in his suggestions, until after the patent was granted; so that, when that patent was granted to him, the free vibration resulting from the removal of the bolt had not been devised, and was not intimated, and, if it had been, it would have been not only useless, but destructive of the machine, unless other changes were made which had not then been devised, and were not intimated.

My conclusions upon this branch of the case are, therefore,

1st. That, if the claim of the patentee, in the reissued patent in question, be regarded as a broad claim to hinging the frame of the cutters to the wheel frame, and making it adjustable by changing the relative elevation of the two frames, the patentee was anticipated by McCormick, and the utmost that the patentee could claim was the particular, or special, arrangement of the two frames, which he used.

2d. That, if the patentee had invented before, or when his patent was granted, a means or mode of bringing the cutters to the ground, so as to follow the undulations of the surface,

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the same had, to the same extent, and with equal approach to usefulness and practicability, been long before invented by McCormick, and that, in this view, also, if such patentee had any claim, it was, at the utmost, to the special arrangement, or position, of the parts.

3d. That, in fact, the patentee, when the patent was granted, had made no invention which permitted the cutters to vibrate, so as to follow the undulations of the ground, when in use, and showed no such invention or device by his specifications, drawings, or model.

4th. That, in so far as the reissued patent claims or purports to secure such a device as is last named, it is, for these reasons, invalid.

The claim of the complainants, in their reissued patent, which the defendants are charged with infringing, has been above quoted. The second and only other claim therein is, for a wheel, provided with a crank and lever, at the outer end of the cutter bar, to adjust the height thereof, as described. It is a remarkable fact, that, whereas the original patent related to other devices, and, with great particularity, described them, and contained, in all, four claims, stating, severally, what the patentee claimed as his invention and wished to secure by patent, the reissue makes no claim whatever to those devices. It abandons all of them, and sets up claims entirely new, and relating entirely to other and distinct parts of the machine, which are for a totally different purpose, and possess wholly different functions. When to this is added, that the new claims embrace what did not, in fact, appear at all in the specifications, drawings, or model of the original patent, and, if construed broadly, what Densmore had not himself invented, when that original patent was granted, and that, if he had, in any sense, made the discovery, it was not new, it is speaking mildly, to say, that great suspicion attaches to the case of the complainants, in any of its features.

The reissued patent was obtained in 1862. Before that date, the importance, if not the indispensable necessity, for

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the purpose of mowing, of what is now called the floating finger bar, following the undulations of the ground, was fully known, and various devices had been invented and adopted, to meet that necessity. For the complete attainment of the result two things were requisite—first, that the cutters should rise and fall, in their forward motion, to pass over, and adapt themselves to, the elevations and depressions, lengthwise, of the cutter bar; and, second, they must be capable of rising and falling at either end, to accommodate elevations and depressions in their path, not in the path of the wheels. For this purpose, the use of a short finger bar, hinged, at the inner end, to the instrument which supported it, was devised, and the supporting device was, in turn, hinged, so that that inner end could rise and fall, as the inequalities in the surface of the ground might require. The complete result was attained, which gave name to the “floating finger bar;” the whole would rise or fall when the elevation or depression of the ground required it, and either end would separately rise or fall when the elevation or depression of the ground required that, in order to conformity thereto. In this state of progress in the construction of machines for mowing, it became obvious, that any one who was entitled to an exclusive right to all devices which, by hinging the cutter to the machine, made it capable of rising and falling with the surface, would, perhaps, control the floating finger bar, although the device of a short finger bar, itself hinged, so that either end might rise or fall without the other, was the invention of another. Here was a great temptation, and in this is the secret of the reissue in question—an attempt to extend an original patent over a feature in harvesting machines, which, in my opinion, it did not embrace, and which the patentee had in no wise conceived when he obtained that patent; and hence appear the sweeping terms of the claim of the reissue in question.

II. If the foregoing conclusions are correct, there is no question of infringement to be considered. The question of infringement, is, however, an important question, it has been

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discussed at great length, and, if it be found, that, upon a just construction of the patent, or upon the proofs touching the construction and operation of the two machines, the defendants do not infringe any exclusive right which the reissued patent (if valid) secures to the complainants, then it is, in turn, immaterial to this case whether the reissued patent be held valid or not. I, therefore, consider briefly the second question above stated. If the reissued patent is valid for any purpose, or to any extent, do the defendants infringe any rights secured to the complainants thereby?

To the intelligible consideration of that question, it may be advantageous to notice, that the machine described in the Densmore patent is a one-wheeled machine. To the use of such a machine it is necessary, that it should be sustained against its tendency to tilt, by some support at the outer extremity of the cutters; and this involved the necessity of a rigid connection of the cutter bar with some frame, which, by its connection with the axle of the wheel, or with the wheel frame, would support the wheel in an upright position. Hence, the necessity of the two frames described in the patent of Densmore; and herein is seen one of the important functions and offices of his supplemental frame.

Again, in order to sustain itself against the pressure of the grain or grass to be cut, it is essential, that the cutters, or the cutter bar, should be held very firmly, to prevent wrenching or separation from the machine by backward pressure or thrust, acting through the entire length of the cutters, and with very considerable force on the outer end. For this reason, in Densmore's machine, the finger bar was set in a frame, extending the whole width across the machine, and, by firm attachment, receiving strength to resist the pressure acting forcibly at its outer end. As a reaper, it was strengthened by the frame of the platform. If it could be used as a mower, this capability to resist the pressure was obtained by its being firmly set in what are called, in his patent, the side pieces of his main frame.

The defendants' machine belongs to a distinct and sepa-

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rate organization, which assigns it to an entirely different class of machines, and has capacities which do not belong to the others, which are availed of by the defendants, without infringing the devices shown in the complainants' patent. Their machine is supported and runs upon two principal wheels, which sustain the machine. There is, therefore, no liability to tilting, and no need of support from the end, or any part, of the finger bar, and, therefore, no need of any auxiliary frame, through which such support can be derived, and there is, in fact, no such frame. By reason of this change, there is no need of a finger bar rigidly attached (as in the complainants' machine) to any frame from which it obtains its strength or power to resist the backward thrust or pressure tending to wrench it from the machine. These offices or functions of a frame and supplemental frame are, therefore, dispensed with. Not only so, it is material to add, that the short finger bar, hinged at the inner end, could not be used at all, in the complainants' machine, even if its substitution were not a departure from the invention described in the patent. The defendants' machine, therefore, not only does not use the frames described in the patent, but the functions which they exhibit in the complainants' machine would not answer at all in the defendants'. Those functions are inconsistent with the use of the short hinged cutter bar.

True, there must be an attachment of the finger bar to the wheel frame, through which the gearing may operate the cutters. But, no frame is necessary for that purpose. Any attachment which will preserve their relative position is sufficient. This is accomplished, in the defendants' machine, by a cross-bar or brace, from the inner end of the finger bar to a projection from the wheel frame, pivoted at each end, so that the connection may be perfectly flexible, and that it may, at the same time, keep the distance of the finger bar from the gearing uniformly the same. True, also, the finger bar must be sustained against the backward pressure or thrust tending to wrench it from the machine. This is done by what is

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called a "drag bar," linked to the forward end of the wheel frame, and hinged to the shoe which carries the cutter bar. It is, in fact, the instrument by which, through its attachment to the forward end of the wheel frame, the finger bar is drawn or dragged forward to its work of cutting. It is a distinct and peculiar device, necessarily made flexible, to admit of the use of a short finger bar hinged at the inner end, and to permit it to oscillate, so as to raise or lower the points of the cutters, when that is desired. It was the introduction of two-wheeled machines which made the devices by which the defendants carry and control the cutting and mowing apparatus, practicable. One or more of the complainants' witnesses represent this drag bar, and the lateral brace, as constituting a supplemental frame, and would seem to intend thereby to bring this part of the defendants' machine within the literal terms of the complainants' reissued patent. It seems to me to have been an obvious perversion of language to apply to these two devices the same designation. Even those witnesses were compelled, in order to satisfy their own confused idea of a frame, to include with these bars the side and forward end of the wheel frame, the shoe to which the cutter is attached, and the projections from the wheel frame to which the bars are linked. They call the frame in which the wheels are placed a frame, and then include that a second time, with the bars referred to, and call it a supplemental frame. This seems to me evasion and a trifling with the subject. There is not, in mechanical construction, or in office and function, a frame and a supplemental frame, but a distinct and different device, serving, in part, some like purposes, but in a different manner, and serving those purposes where the frame used by the complainants would not serve them without the aid of other and supplemental devices not found in the complainants' machine.

This is not all. When used as a reaper, the cutter bar must be suspended at some height, greater or less, from the ground. In the complainants' machine, as already shown, this is effected by using the frame as a lever, turning on the axle of the wheel as a pivot, and bolting the end of the lever

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(or frame) in the required position ; and, when thus prepared for reaping, the two frames bolted together constitute one rigid frame, holding the cutter frame firmly in position. The defendants, when their machine is used as a reaper, suspend the cutter bar by a flexible chain passing over pulleys or rollers, not holding it firmly in position, leaving it free to oscillate and to turn on its hinges, and only limiting its possible descent towards the ground. Surely, this exhibits no likeness, in mechanical construction nor in mode of operation, to the complainants' supplemental frame, with its arrangement as a lever, and with its adjustment by bolting, above described.

I cannot avoid a conclusion in conformity with the testimony of the witnesses for the defendants, that there is no supplemental frame in the defendants' machine, and that there are not, in that machine, two frames, in the sense in which those terms are employed in the complainants' reissued patent, nor in any proper mechanical sense, nor are the devices employed by the defendants equivalents of the frames described in that patent. And I think I ought to say, that the testimony of the expert, Mr. Renwick, that there are two frames in the defendants' machine, must have been misapprehended by the complainants' counsel, when he sought, in his argument, to show, by that testimony, some literal correspondence of the defendants' machine with the words of the reissued patent. I cannot, for a moment, suppose, that the learned and experienced counsel intended to pervert the testimony, or promote a misconception of its meaning. The witness was speaking of a specific model of the defendants' machine, as a reaper, and having the platform and some other attachments pertaining to it as a reaper, and, being asked if it had two frames, answered that it had. But, what he meant he afterwards stated, namely, a frame to which the wheels and their gearing and the devices for drawing and sustaining the cutters was attached, and another frame, on which the platform was laid, which latter frame was wholly detached when the machine was used for mowing. The same question, answered in the same sense, would have assigned to the complainants' machine

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three frames. The witness did not say that the defendants' machine had two frames, in the sense of the reissued patent, but the contrary. He did not say that the defendants' drag bar and lateral brace, either by themselves or in their connections, constituted a second or supplemental frame, but he very clearly excluded that idea.

Finally, the language of the claim in the reissued patent is exceedingly broad; but it, in its very terms, involves hanging the driving wheel in a supplementary frame, or its equivalent, which is hinged to a frame which carries the cutters, (there expressly denominated the main frame,) while its *opposite ends* may be adjusted and secured at various heights, or be left free, as desired, whereby the cutting apparatus may be held at any desired height, for reaping, or be left free to accommodate itself to the undulations of the ground, for mowing, substantially as described. This is not to be construed to embrace every possible means by which a cutter bar may be suspended for reaping, and permitted to follow the undulations of the ground for mowing. If it should be so construed, then another fatal objection to the complainants' case would be at once suggested. The claim is too broad, and is void on that ground. If it be construed to embrace every machine in which a frame carries the cutter bar and is hinged to the frame in which the wheel is placed, then complainants must fail, for the reason given under the first branch of the discussion, namely, that this would include McCormick's machines, made and used long before, as well as for the reason, also, that the defendants have never used the hanging of the wheel in a supplemental frame, or its equivalent, made adjustable in any manner. Their wheel is fixed unchangeably in the only frame, properly so called, which they use, which neither acts as a lever, vibrates, or is made adjustable at either end, or in any manner. And if, as suggested in the other branch of the discussion, the claim can be construed to secure to the complainants the specific arrangement of two frames in the position and mode of operation described in the specification, then the defendants have not infringed it.

This somewhat incoherent and needlessly diffuse discussion of the case necessarily leads to the conclusion, on both of the grounds considered, that the complainants cannot sustain the suit. The bill, must, therefore, be dismissed, with costs.

David Wright, for the plaintiffs.

George Harding, for the defendants.

JOHN J. FREEDMAN *vs.* FRANCIS SIGEL.

The United States cannot impose a tax on the salary of a Judge of the Superior Court of the city of New York, by imposing a tax on such salary as the income of such Judge.

It makes no difference that the salary of the Judge is fixed by the Board of Supervisors of the county of New York, or that it is payable out of the treasury of the city of New York.

(Before SHIPMAN, J., Southern District of New York, January 2d, 1878.)

SHIPMAN, J. This is an action brought by the Honorable John J. Freedman, one of the Justices of the Superior Court of the city of New York, to recover back the sum of \$162 37, exacted from him by the defendant, as collector of internal revenue for the ninth collection district of New York. This exaction was, in form, a tax on the income of the plaintiff, but that income consisted solely of his salary as a Judge of one of the most important judicial tribunals of the State—a Court of record, having a wide range of jurisdiction, and wielding an important part of the judicial authority of the commonwealth. The sum in question was nothing more or less than a tax upon the plaintiff's salary, as a Judge of a State Court. The amount was paid under protest, and it is conceded that the plaintiff is entitled to recover, if the tax in

question was not warranted by law. The sole question now to be determined is, whether this assessment on the salary of the plaintiff was legal.

The plaintiff claims, that the illegality of this tax is conclusively settled by the case of *The Collector v. Day*, (11 *Wallace*, 113.) That case involved the validity of a tax upon the salary of the defendant, Day, as Judge of the Court of Probate and Insolvency for the county of Barnstable, in the State of Massachusetts. In that case, the salary was fixed by a statute of the State, and was payable directly out of the State treasury. The Supreme Court held, that it was not competent for Congress to impose the tax then in question upon the salary of a State judge. It is obvious, that that decision must control the question now presented for consideration, unless the latter can be distinguished, by some essential feature, from that determined by the Supreme Court in the case cited.

The defendant insists, that the present case is distinguishable from that of *The Collector v. Day*, in the following particulars: (1.) In that case, the salary of the Judge was fixed directly by a statute of the State, while, in the present one, the salary of the plaintiff was fixed by the Board of Supervisors of the county of New York. (2.) The salary of Judge Day was payable directly out of the State treasury of Massachusetts, whereas, the salary of the plaintiff was payable out of the treasury of the city of New York. (3.) The Court of Probate and Insolvency for the county of Barnstable, Massachusetts, could not properly be termed a local Court, and its judge a local officer; whereas, the Superior Court in question was purely a local Court, belonging to a class of tribunals known only to the cities of New York and Buffalo, the justices of which are purely local officers. I will briefly consider these points raised by the defence, in the order above stated.

First. As to the body entrusted with the power of determining the amount of salary. In the one case, that body was the Legislature of the State, and in the other, the Board of Supervisors of the county, acting under a statute of the State,

expressly conferring that power upon them. For reasons, wise and salutary, no doubt, the Legislature of New York, after creating the Superior Court, and conferring upon it extensive jurisdiction, saw fit to leave the amount of the salaries of the Judges to be determined by the Board of Supervisors, and conferred upon the latter authority to that end. But, I apprehend that this circumstance does not, in any manner, affect the nature of the office of the Judges of that Court. They are still judicial officers of the State, wielding that part of the sovereign power of the State committed to their jurisdiction. Their salaries constitute their sole compensation, and, when once fixed, cannot be reduced during the terms for which they are respectively appointed. The same reasoning which led the Supreme Court, in the case of *The Collector v. Day*, to hold the tax illegal, applies, with equal force, to the present case. In both cases, the Judges exercise the judicial authority of the State, and represent its sovereignty in that behalf. Of what importance is it that amount of salary is fixed by the Legislature itself, or by another body, acting under the authority conferred by the Legislature? If a State were to create a commission for the purpose, and with the power, of fixing the salaries of all its judicial officers, would that circumstance change the nature of the judicial office, or materially affect its character, as one of the instrumentalities by which and through which the State exercised one of its sovereign powers? I apprehend there can be but one answer to these questions. The manner in which a State chooses to determine the salaries of its judicial officers, neither changes the character of the tribunals over which they preside, nor the relation of these officers or offices to the State, or to the Federal Government. The agency which the State chooses to employ for the purposes of determining the amount of its Judges' compensation is a purely incidental matter, wholly of its own concern, the exercise of which in no way changes or affects the relation which the two Governments bear to each other. The line which marks and limits the constitutional power of each remains

the same, unvaried by the incidental manner in which each, or either, may choose to exercise its acknowledged and unquestioned authority.

Second. As to the immediate source from which the salary is derived. In the case of *The Collector v. Day*, the salary of the defendant was paid directly from the State treasury. But, suppose the Legislature of Massachusetts had seen fit, after creating the Courts of Probate and Insolvency for its respective counties, to make the salaries of each Judge payable out of the treasury of the respective county over which his jurisdiction extended. Would that circumstance, purely a matter of legislative regulation and discretion, within the undoubted power of the State, have changed, in any essential particular, the nature or powers of the judicial office of the Judge of those Courts? To assert such a proposition would be to maintain that the sovereign power of a State depends upon the manner in which it exercises its discretion, in the details of its administration, and the distribution of its public burthens. The right of Congress to tax the judicial offices of a State, certainly, cannot depend upon the mode by which the State may choose to raise the revenue applied to the support of such offices, or the sources from which it may choose to draw that revenue. These are mere incidents in the exercise of undoubted State power, in no way affecting the Federal Government, nor having any tendency to enlarge the power of the latter over subjects which are otherwise beyond its reach.

Third. As to the alleged local character of the office held by the plaintiff. On this point, the argument in behalf of the defendant signally fails. The Courts of Probate and Insolvency of Massachusetts are Courts of a more local character and limited jurisdiction than the Superior Courts organized by the State of New York. The latter are clothed with no inconsiderable part of the general judicial power of the State, with none or only partial limitations as to subject-matter of litigation, while the former are Courts of limited and inferior jurisdiction, whose range of judicial authority is

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narrow, and touches only a very limited number of subjects. It is obvious, therefore, that this alleged difference, by which the defendant seeks to withdraw the present case from that of *The Collector v. Day*, has no solid foundation.

Without pursuing the subject further, I am entirely satisfied that the present case is within the reason and authority of *The Collector v. Day*; and judgment must, therefore, be rendered for the plaintiff.

Edward Fitch, for the plaintiff.

Noah Davis, (*District Attorney*,) for the defendant.

LEVI DECKER

vs.

FREDERICK GROTE AND OTHERS. IN EQUITY.

The claim of the reissued letters patent granted to Levi Decker, March 9th, 1869, for an "improvement in cushions for billiard tables," the original patent having been granted to him December 18th, 1866, namely, "The catgut or other cord, E, partially or fully embedded, or otherwise attached, at the angle, a, of the rubber cushion, C, so as to protect said cushion against the impact of the ball, substantially as herein shown and described, and for the purposes set forth," covers the placing, and firmly securing, along the upper edge or corner of the rubber cushion, a strong, narrow cord, to receive the impact of the ball, and protect the cushion against such impact, by reason of its being placed at the point against which, and against which alone, the ball strikes, the stiff cord receiving such impact, in substantially a horizontal direction, and preventing the cushion from giving way under such impact, and from allowing the ball to ride over it and leave the table, while, at the same time, there is little friction from the impact, and the elastic force of the rubber acts fully, through the cord, interposed between it and the ball, to repel the ball, in substantially a horizontal direction.

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Such claim is infringed by embedding the cord in the rubber cushion at the upper edge of it, and securing it there by placing it therein while the rubber is plastic, and before it is vulcanized, and having a thin portion of the rubber interposed between the cord and the outside of the edge.

Adding a device to give tension to a wire run through the edge of the elastic cushion, or using a new mode of introducing such wire, by a perforation near the edge of the rubber, does not, even though such devices may be patentable, justify the use of the substance of the plaintiff's invention, or the employment of an equivalent for the plaintiff's cord, either in respect of material used, or in respect of the manner of securing the cord, so that it may perform its office.

Such claim is not anticipated by an arrangement in which a stiff piece of elastic material was put along the upper face of the rubber, so as to be lifted by the force of the ball, when the ball embedded itself in the rubber beneath, and to act as a spring, to hug the ball down the table, and prevent its hopping or jumping.

The testimony of a witness to prove prior knowledge of the plaintiff's invention, stricken out, at the hearing, on motion, on the ground that his place of residence at the time of putting in the answer was not given in the answer.

Abandoned experiments, commented on.

A reissued patent sustained, against objections as to its variance from the original patent, in what were mere matters of mechanical adaptation.

(Before BLATCHFORD, J., Southern District of New York, January 2d, 1873.

BLATCHFORD, J. This suit is brought on reissued letters patent granted to the plaintiff, March 9th, 1869, for an "improvement in cushions for billiard tables," the original patent having been granted to him December 18th, 1866. The specification of the reissued patent says: "My invention has for its object the preservation of cushions for billiard tables against the impact of the ball. The nature of my invention consists in the employment or use of a catgut or other strong cord, located in or at the upper corner or edge of the cushion, and immediately at the point against which the ball strikes when the game of billiards is played. * * * C is a body of rubber, which forms a cushion against which the ball strikes. This said rubber cushion has its inner or face side bevelled in such a manner that the ball strikes, at about its centre, against the upper corner or point of the cushion, as clearly shown at a, fig. 1. For the purpose of protecting the upper corner or

edge of the cushion, C, against the impact of the ball, I make a small concave or bed, immediately, or as near as may be, in the upper corner of the cushion, so that a suitable cord, E, or other support, may be fitted longitudinally the whole length of the said cushion, around the table, so that the cushion is fully protected, on all sides of the table, against the impact of the ball. For this cord and support of the cushion I usually employ catgut, or cord may be used for the same purpose, but experience proves that catgut is most suitable for the purpose, as it is best adapted to prevent the cushion from giving way, or yielding, under the impact of the ball, it being understood that the ball only comes in contact with the cushion at *a*, the bevel or inclination being given the face of the cushion in order that all other parts of it will be kept clear of the ball. This cord, E, may be more thoroughly secured in its position by moulding it, or embedding it, entirely within the rubber, near the corner, so as to perform the functions for which it is designed, or it may be secured by gluing a strip of cloth, *b*, over it, when not fully embedded in the rubber, or it may be secured by any other well-known means. D is a strip of elastic cloth, which is cemented to the face side of the rubber strip or cushion, C, and attached, at its lower edge, to the lower part of B," (elsewhere described as a strip or cleat, behind C,) "so as to support the upper edge, *a*, of C. It will be understood, that the cord, E, is attached to D, before the latter is secured to the cushion, C, and cleat, B. To make the whole more secure, I usually cover the whole with the cloth, F, and after cover the whole again with the usual green cloth, G. This cord, E, performs two very important functions, viz.: it gives stiffness to the angle or corner, *a*, of the cushion C, so that it cannot yield or give way under the impact of the ball, to allow the latter to pass over it; and it also gives prominence to the said angle, so as to present, under the yielding of the cushion, a stiff, narrow line to the ball, thus obviating much friction, so as not to impede the motion of the latter, and still not interfering in the least with the elastic effects of the cushion upon

the ball." The claim is in these words: "The catgut or other cord, E, partially or fully embedded, or otherwise attached, at the angle, *a*, of the rubber cushion, C, so as to protect said cushion against the impact of the ball, substantially as herein shown and described, and for the purposes set forth."

It is quite apparent, that the invention set forth is the placing, and firmly securing, along the upper edge or corner of the rubber cushion, a strong, narrow cord, to receive the impact of the ball, and protect the cushion against such impact, by reason of its being placed at the point against which, and against which alone, the ball strikes. When the impact comes, the stiff cord receives it, in substantially a horizontal direction, and prevents the cushion from giving way under such impact, and allowing the ball to ride over it and leave the table, while, at the same time, there is little friction from the impact, and the elastic force of the rubber acts fully, through the cord, interposed between it and the ball, to repel the ball, in substantially a horizontal direction.

The great utility of the invention, in tending towards perfection in the billiard table, is shown by the evidence. The inventor was an experienced manufacturer of billiard tables. The cushion had, up to the time of his invention, in the latter part of 1864, been faced with a flat facing, made of various materials. But, the flat facing failed to add the necessary greater proportional strength to the upper corner or edge, and the plaintiff sought to do that, while, at the same time, the rubber below the edge, not being faced, would have its elastic action left unimpaired. The idea of a cord of catgut, to be secured to the upper edge, suggested itself to him. He arranged it, in the manner described in the specification of the reissue, and shown in the drawing, by laying the catgut along the edge of the elastic cloth which he had been using as a facing, and securing it there by wrapping a piece of cloth around it, and attaching that to the elastic cloth, and cementing the latter to the rubber. The moment the invention became known, it went extensively

into use, and the cushion thus made superseded all other forms. A resulting feature of the arrangement is shown by the evidence to be, that a larger amount of the elasticity of the cushion is brought to bear at the point of contact of the ball with the cord, than when, in the absence of the cord, the ball strikes the rubber itself. The cushion is, also, protected from wear. Greater accuracy, also, results in respect to the direction the ball takes in rebounding.

In the defendants' arrangement the cord is embedded in the rubber cushion at the upper edge of it, and is secured there by being placed in it while the rubber is plastic, and before it is vulcanized, and by having a thin portion of the rubber interposed between the cord and the outside of the edge. There is no doubt that the defendants' arrangement embodies the invention claimed in the plaintiffs' reissued patent, and has the same mode of operation, in use.

The novelty of the invention is attacked, by reference to an application filed in the Patent Office, January 18th, 1858, by William B. Carpenter, for a patent for an "improvement in billiard cushions," and which was rejected April 10th, 1858. The specification filed by Carpenter says: "The nature of my invention consists in providing a block of india-rubber, cut or moulded in the desired shape, with a groove, which groove is to be made along the entire upper and outer edge, in which groove is to be placed a wire, composed of whalebone, steel, brass, or other elastic material, suitable for the purpose." Carpenter then proceeds to say, in the specification, that he makes a groove at the outer, and along the entire upper, edge of the rubber, and inserts in the groove, along its length, a round piece, the size of the groove, of whalebone or steel or brass wire. The drawing shows the wire lying in the groove, and not otherwise secured, and with its upper face exposed to view. The specification says, that the cushion is to be "covered with cloth, in the usual manner of billiard cushions," and is then ready to be used. It then states, as the reasons for such arrangement of cushion, that, if a ball is played against a square-edged cushion of rubber, all

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parts of the same being equally elastic, the momentum of the ball, if the stroke be an energetic one, will be liable to so far overcome the resistance of the rubber, as to cause the ball to jump or hop either on or off of the table; that he wishes to preserve the delicate elasticity of the rubber, and, at the same time, to keep the ball, at all times, upon the table and free from hopping or jumping; that, to accomplish this, he makes the groove in the rubber, and inserts therein the whalebone or wire; and that this has the effect of stiffening the entire upper edge, and prevents the momentum of the ball from overcoming the weakest part of the rubber, because, "when the ball advances with considerable force, and is embedded into rubber, the whalebone or wire is lifted, the ball acting as a wedge, and, from the natural tendency of the wire to resume its former position, it hugs the ball firmly upon the table, which allows the rubber to repel the ball without hopping or jumping." The drawing accompanying Carpenter's specification corresponded therewith, in showing the rod of whalebone or wire as being laid in a groove cut in the top surface of the rubber, along the upper and outer edge. But, the model he sent therewith showed the groove as cut just below the top surface, and in that face of the cushion which would be towards the bed of the table. The Patent Office, in a letter to Carpenter, of January 20th, 1858, called his attention to this discrepancy, and stated, that the model showed the groove "along that face of the rubber cushion against which the ball strikes," and, suggested to him, that, if his specification and drawing were correctly understood, a different model would be necessary. In reply, he wrote to the Office, saying, that the specification exactly described what was meant to be described, and that the drawing agreed therewith; that there was a discrepancy between the specification and drawing and the model; and that he would make another model, showing the invention truly, as he wished it to be shown, that is, with the groove and wire "at the upper and outer edge of the rubber, and not at the inner edge, immediately in contact with the ball." The new model, con-

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structed to correspond with the specification and drawing, was sent, and filed January 26th, 1858, and the application was rejected, as before stated. The ground of rejection was a patent granted to the present plaintiff, December 15th, 1857, "for the combination of a steel spring with india rubber, for the same purpose." The claim asked for and rejected was, "the forming, in a block of rubber for billiard cushions, the groove, and inserting therein the round whalebone, steel, or other wire, substantially and for the purpose as herein described." On the 5th of June, 1858, Carpenter wrote to the Office, that he withdrew his application.

It is impossible to regard this application as anticipating the plaintiff's invention. The invention of Carpenter, as shown in his specification and drawing and correct model, was one of a wholly different character from that of the plaintiff. Carpenter shows that he intended that the ball should be played against the rubber, and should embed itself "into the rubber," and that the rubber should not receive the impact of the ball through the medium of the whalebone or wire. His device was one merely to put a stiff piece of elastic material along the upper face of the rubber, which should be lifted by the force of the ball, when the ball embedded itself in the rubber beneath, and should, by its action as a spring, hug the ball down to the table, and prevent its hopping or jumping. This is a different arrangement, and for a different purpose, from that of the plaintiff. In Carpenter's arrangement, the whalebone or wire does not receive the impact of the ball, and does not protect the cushion against such impact, and is not placed at the point against which, and against which alone, the ball strikes; the whalebone or wire has no effect to reduce the friction of the impact of the ball; the elasticity of the rubber is not, by the wire, concentrated at the point of impact of the ball; the cushion is not protected by the wire, from wear at the point where the ball strikes; and no greater accuracy of direction, in the ball, in rebounding, results from the use of the wire. These are all features of the plaintiff's arrangement. The only feature

that is common to the two arrangements is, that the stiffening of the edge of the rubber has the effect to prevent the ball from jumping. But this, while it is an incident of the plaintiff's arrangement, does not cover other features which the claim of his patent, read in connection with the body of his specification, sets forth as inherent in his arrangement; and those features, so set forth, are not found in Carpenter's arrangement.

Another difficulty in Carpenter's arrangement is, that he neither shows nor describes any mode of fastening or securing the whalebone or wire in the groove, except, that, after it is "placed," or "inserted," in the groove, the cushion is to be "covered with cloth, in the usual manner of billiard cushions." It is evidently not intended to be secured or fastened, so as to become, as is necessary in the plaintiff's arrangement, an integral part of the structure of the rubber cushion, for Carpenter describes it as intended to be lifted by the action of the ball, as a wedge, when embedded in the rubber beneath it. Hence, in Carpenter's arrangement, the wire does not receive a practically horizontal blow from the ball, and, in yielding, compress the rubber behind it, and bring the elastic force of such rubber into action to repel the ball in a horizontal direction. That is an essential feature of the plaintiff's arrangement, for he says, in the specification of his reissue, that the face of the rubber cushion is so bevelled, that the ball strikes, at about its centre, against the upper corner or edge of the cushion, along and in which the cord lies, and that the ball does not come in contact with the cushion at any other part of the cushion. A lifting of the cord, as in Carpenter's arrangement, would entirely destroy the plaintiff's arrangement. Hence, the plaintiff firmly secures his cord in place, so that it may receive the horizontal blow. No such arrangement is found in Carpenter's specification. But, such arrangement is found in the defendants' structure. The thin edge of rubber, interposed between the defendants' cord and the outer extremity of the cushion, merely acts to hold the cord in place, so that it may be always

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in position to receive a practically horizontal blow, and is a mere equivalent for the cloth in which the plaintiff wraps his cord. There is an advantage, as respects utilizing the elastic force of the rubber to the greatest possible degree, in having the cord as near to the ball as possible, but, if it makes too prominent an edge, its covering is apt to wear too rapidly. But, that is a question only of durability. The invention of the plaintiff is employed, if the cord is found in the place indicated, so firmly secured, and so arranged, as to act always, in the manner indicated, in combination with the cushion behind it, in reference to a blow from the ball, delivered in the manner stated. The defendants make and sell a structure of that kind, and no such structure is found in Carpenter's arrangement.

As respects what appears in Carpenter's first or incorrect model, (both of the models being now in the Patent Office,) it is manifest, that he never pretended to have made an invention of anything shown in it, if it shows anything different from what is shown in his second model. He expressly says, in his letter to the Office, that the first model does not show his invention "truly." Whatever there is in the first model, therefore, that is different from what is in the second model, was, at most, a mere abandoned experiment, not amounting to an invention. It is manifest, moreover, that a structure like that represented by such first model would be open to many of the objections, before specified, to which one like such second model is open.

Carpenter was examined as a witness on the part of the defendants. His name is not set forth in the answer as that of a person to or by whom the plaintiff's invention was previously known or used. His application of January 18th, 1858, is referred to in the answer, as containing the plaintiff's invention. But, his place of residence at the time of putting in the answer is not given in the answer. After he was sworn as a witness, and before any questions were put to him, an objection was entered on the record, on the part of the plaintiff, to his being examined, on the ground that he had

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not been named in the answer, and that the notice required by statute had not been given of his examination. The bill in this suit was filed in August, 1871. He was cross-examined *de bene esse*, under the same objection so made to his direct examination. Such objection to the testimony of Carpenter, so far as it tends to prove prior knowledge or use of the plaintiff's invention, was insisted on at the hearing, and a motion was made by the plaintiff to strike out such testimony, in such respect. The motion must be granted.

But, even if the testimony of Carpenter were to be admitted in such respect, it adds nothing to what appears in his application. He says, that he made experiments with "the cushions" shown in the two models, before he applied for a patent; that those experiments were using "a cushion" two feet, or less, long, screwed to the bed of a table, and tested for about half a day by various parties; that such experiments were considered satisfactory enough, in hindering the ball from jumping, to apply for a patent; and that the cushion stood the blows of the ball, and the wire was not dislodged. It does not appear that any billiard table, provided with such cushions as Carpenter's, was ever made by him or any one else. The whole matter, so far as Carpenter testifies to having done anything, was an abandoned experiment.

What is found in letters patent granted to John Sycher, November 10th, 1863, for a "billiard cushion," is adduced to destroy the novelty of the plaintiff's invention. Sycher uses thin strips of horn, cut spirally, in connection with hard or soft rubber, to form a cushion. The strip of horn is used as a facing to the rubber pad, or is inserted into a long slit cut in the pad, and made fast therein by rubber cement. The grain of the horn, in the spiral strip, runs crosswise of the strip, so that, when the ball strikes the cushion, the spring action of the horn, although crosswise of the strip, is with the grain, and not crosswise of the grain. When the strip is inserted in the pad, it is shown as extending downward from the upper exterior corner of the pad, in a slanting direction, away from the face of the pad. A facing

to the pad presents nothing in common with the plaintiff's invention. In the case of the inserted strip of Sycher, the action of the cushion, under the impact of the ball, is different from what it is in the plaintiff's arrangement. The cushion does not yield in substantially a horizontal direction, because of the interposition of the strip of horn. For the same reason, the resilience of the rubber is not returned to the ball in substantially a horizontal direction. By inserting the strip, Sycher destroys the homogeneous character of the cushion. The plaintiff preserves the homogeneous character of the cushion. From this difference results the different action of the two cushions under the impact of the ball, and in response thereto. It follows, that nothing in Sycher's arrangement anticipated the plaintiff's invention.

As to what Delaney did in California, he details a series of abortive and abandoned experiments. He himself calls them experiments. One of them he describes as the use of rubber, with "whalebone and drum snares cut into the upper edge, and there fastened into the groove with court plaster, to hold the whalebone or drum snares put into the rubber." He says, that he inserted the drum snare as close as possible to the upper edge of the cushion, along such edge, "and about one-fourth of an inch from the face where the ball strikes;" that he discontinued the use of drum snares and commenced using whalebone because he thought it was better, as having more elasticity; that he discontinued the use of whalebone because some one offered to furnish him strips at less money than he was paying, if he would use such strips; and that he did not apply for a patent for inserting drum snares or whalebones in rubber billiard cushions, because he did not think it was of any value at the time.

The answer sets up that the reissued patent granted to the plaintiff is void, for the reason that it describes and claims an invention different from any invention described or claimed, or intended to be, in the original patent, or shown in the model, drawings or application on which the original patent was granted. The drawings of the reissue are the same as those of the original patent.

It is objected, (1) that the original patent states that the invention consists in applying a cord "to" the upper angle of the cushion, while the reissue states that it consists in using a cord located "in or at" the upper corner or edge of the cushion; (2) that the reissue states that a small concave or bed is made immediately, or as near as may be, in the upper corner of the cushion, in which the cord may be fitted, while the original specification and the drawings disclose no such concave or bed; (3) that the reissue states that the cord may be more thoroughly secured in its position by moulding it, or embedding it, entirely within the rubber, near the corner, while the original specification and the drawing do not suggest any such thing; (4) that the reissue suggests the embedding the cord partially in the rubber, while nothing to that effect is found in the original specification or in the drawing; (5) that the partially or fully embedding the cord, found in the claim of the reissue, is not suggested in the original specification or by the drawing. The specification of the original patent describes the cord as applied to the edge or angle of the cushion, by enclosing it in a strip of cloth, cemented to a strip of elastic cloth, which itself is cemented to the face side of the rubber cushion. Whether this cord is wholly external to the rubber cushion, and so requires to be firmly attached to such cushion by applying means of adhesion, or is partly within such cushion, and so can be more easily attached with firmness thereto, or is wholly within the cushion, and so is kept firmly in its place by the rubber which is exterior to it, is a mere matter of mechanical adaptation, having no relation to the real invention. Each arrangement is an equivalent for the other, as respects such invention. One may involve more durability than the other, but that is a point aside from the invention. The plaintiff testifies, that, when he arranged the cord wholly external to the rubber cushion, as described in the specification of his original patent, it "wore the cloth a little faster than it would otherwise;" and that he then had a set of moulds made in such a way as to leave a groove in the upper edge of the

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cushion, to receive the cord, which obviated the objection of wearing out the cloth. This groove admitted of a partial embedding of the cord in the rubber. Embedding the cord wholly in the rubber was a mere question of degree. The plaintiff was entitled to use all these forms, within his invention, as modifications resulting from experience in its use, not involving any new or further invention. Within the rule laid down in *Seymour v. Osborne*, (11 Wallace, 516,) it cannot be said, in this case, that it is apparent, on the faces of the two patents, that the Commissioner has exceeded his authority in granting the reissue, or that there is such a repugnancy between the two patents, that it must be held, as matter of legal construction, that the new patent is not for the same invention as that embraced and secured in the original patent.

It results, from these considerations, that there must be a decree for the plaintiff, for a perpetual injunction, and an account of profits, and an ascertainment of damages, with costs.*

William J. A. Fuller, for the plaintiff.

Benjamin F. Lee and *Anthony Pollak*, for the defendants.

* In June, 1878, the case of *Levi Decker v. William H. Griffith*, brought on the same patent, was decided by Judge Woodruff. In his opinion, he said: "The billiard-cushion manufactured by the defendant may, very possibly, be an improvement upon that of the plaintiff, in respect to the use of a device for giving tension to the wire run through the edge of the elastic cushion, and, if so, may be patentable, so as to give the defendant the exclusive right to his special device. Possibly, also, he may have devised a new mode of introducing the wire, by a perforation near the edge of the rubber. Neither of these concessions will justify the defendant in using the substance of the plaintiff's invention for stiffening and regulating the elastic edge of the cushion, by a cord attached thereto, or inserted therein, or in employing an equivalent, either in respect of material used, or in respect of the manner of securing the cord, so that it may perform its office. The proof is without contradiction, that the infringing device operates in the same way, and by substantially the same means, to produce the same result. In regard to the validity of the reissue, I concur with Judge BLATCHFORD, in the case of *Decker v. Grote*."

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THE MANHATTAN LIFE INSURANCE COMPANY

vs.

THE FARMERS AND CITIZENS' NATIONAL BANK, OF BROOKLYN,
AND FREDERICK A. PLATT, RECEIVER. IN EQUITY.

B., the president of a bank, borrowed money of M., for his own use, on the security of 550 shares in the capital stock of the bank. At the time, B. stood on the books of the bank as the owner of more than 550 of its shares, certificates for which, issued to him, were outstanding, but had been passed away by him to *bona fide* holders. In anticipation of, but without, their surrender, B. caused to be issued to himself certificates for 550 shares, and gave them, with power of attorney to transfer, to M., as security for the loan. They were signed by B., as president, and by R., as cashier, they being the transfer officers. R. knew, as well as B., of the irregularity in their issue. At the time, B. held certificates for 585 shares of the stock of the bank, and the bank had certificates, unissued, for other shares, which had been subscribed for, but were not yet paid for. The certificates given to M. were intended to represent only the shares represented by the certificates the surrender of which was anticipated. M. made the loan in a check, on the faith of the certificates. B. passed the check to the bank, without consideration, and the bank collected it, and placed the money among its assets, B. and R. knowing all the facts. The outstanding certificates were not surrendered or cancelled, nor was any stock transferred on the books. The bank failed and a receiver of it was appointed. M. demanded back his money, and tendered the certificates for surrender, which was refused. The receiver being about to exclude M. from sharing, as a creditor, in the distribution of the assets of the bank, M. brought suit to restrain the receiver from doing so: *Held*, that a fraud was committed by B. on M.; that M. was entitled, on discovering the fraud, to rescind the contract; that the bank received the money to the use of M. and was liable for it to M.; and that M., on surrendering the certificates, was entitled to share, as a creditor of the bank, in the distribution of its assets.

(Before BENEDICT, J., Eastern District of New York, January 6th, 1873.)

BENEDICT, J. This is a suit in equity brought to obtain a decree declaring the plaintiffs entitled to share, as creditors, in the distribution of the assets of an insolvent national bank, and enjoining any distribution of such assets otherwise than

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pro rata between the other creditors, and the plaintiffs as creditors to the amount of \$10,000 and interest.

The facts upon which the claim to this relief is based appear in the evidence as follows: On the 8th of August, 1867, one Beach, the president of the Farmers and Citizens' National Bank, a corporation then, to all appearances, solvent, borrowed of the plaintiffs, for his own use, the sum of \$10,000, upon the security of 550 shares in the capital stock of the bank. This bank had formerly been a State bank, with a capital of \$160,000; but it had been changed into a national bank, as authorized by the National Banking Act, and its capital increased, or supposed to have been increased, to \$300,000. The stock of the State bank held by each stockholder therein had been changed into stock in the national bank, to an equal amount, and the outstanding certificates of stock in the State bank were treated by all as representing the same shares in the national bank, until surrender and other certificates issued in their place. At the time Beach effected the loan in question, he stood on the books of the Farmers and Citizens' National Bank as the owner of shares of its stock exceeding 550 in number, which were formerly shares in the State bank, now shares in the national bank. Certificates in the usual form, representing these shares, had, prior to the change to a national bank, been given to one Crawford, and were still outstanding, held by *bona fide* holders, as security for loans. These certificates, Beach says, he anticipated were to be surrendered by Crawford, on the 8th of August, 1867, and, in anticipation of such a surrender during the day, as he says, he, on that day, caused to be issued and delivered to himself certificates representing 550 of these shares of the stock of the bank, no surrender of the outstanding certificates having been made. The certificates so issued, with a power of attorney to transfer and sell, he, on the same day, gave to the plaintiffs, as security for their loan to him. The certificates so passed to the plaintiffs were in the ordinary form, and certified that Beach was entitled to 550 shares in the capital stock of the Farmers and Citizens' National Bank,

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transferable only on the books of the company, in person, or by attorney, on the surrender of the certificates. They were signed by Beach, as president, and Redfield, as cashier, and these officers were the transfer officers of the bank. The certificates were, in all respects, regular upon their face, but Redfield, the cashier, as well as Beach, the president, of the bank, knew that they were irregularly issued, because certificates for the same stock were then outstanding in the hands of *bona fide* holders, and beyond the control of the bank or of Beach. At the same time Beach did hold certificates for 535 shares of the capital stock of the bank, and there were, also, in the possession of the bank, certificates duly made out and executed for a much larger number of shares of stock, which had been subscribed for as part of increased capital of the bank, for which notes had been taken, and to which the subscribers named in the certificates, and who stood on the books of the bank as stockholders to the amount, were entitled, upon payment of the notes; but, as the evidence shows, the certificates for 550 shares, issued on the 8th of August, 1867, and delivered to the plaintiffs, were not intended to represent any of these other shares, but represented 550 of the shares certificates for which had been given to Crawford, and the return whereof was then anticipated. Upon the faith of the certificates so issued on August 8th, Beach obtained of the plaintiffs their check for \$10,000, and this check he at once passed into the possession of the bank, without any consideration, apparently with the intention of retiring the new certificates in case the old ones given to Crawford were not surrendered and cancelled. The bank collected the check, the president and the cashier both knowing the circumstances under which it had been obtained from the plaintiffs, and the money of the plaintiffs thus passed into the assets of the bank. None of the certificates given to Crawford were ever surrendered or cancelled, nor was any transfer of the stock upon the books of the bank attempted, either by Crawford, or by the plaintiffs, or by any other person, and such transfer, doubtless, became impossible when, shortly after, the bank failed and its affairs passed into

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the hands of the defendant Platt, as receiver, appointed by the comptroller, under the National Banking Act. Upon ascertaining, after the failure of the bank, the character of the certificates delivered to them, the plaintiffs at once offered to surrender them and demanded back their money, which being refused, and the receiver announcing his intention to exclude them from sharing, as creditors, in the distribution of the assets of the bank, this action was brought.

It will be seen, from the facts above stated, that the transaction of the 8th of August, on the part of the bank officers, was a duplication of certificates for 550 shares of actual and valid stock of the bank then, as now, standing in the name of Beach, the president, upon the transfer books of the bank, but of which Beach was not then the owner, he having already passed away his title.

The main question in the case then arises—whether a fraud upon the plaintiffs was committed by Beach, when he passed to them, as regular and valid, such certificates as those of August 8th. Clearly, there was fraud. By necessary implication, Beach, when he delivered the certificates to the plaintiffs, represented that he was then the owner of the stock referred to therein; that no other person than the holder of those certificates was entitled to that stock; and that the stock could not be transferred upon the books of the bank except upon a surrender of those certificates. Whereas, Beach was not the owner of the stock, the holder of other certificates for the same shares was entitled, upon a surrender thereof, to become the stockholder thereof on the books of the bank, and, although a transfer of the shares, if actually made by the bank, upon a surrender of these certificates, would cut off the equitable rights of other parties to the shares, still, such a transfer would be rendered impossible by a prior surrender of the old certificates and a transfer of the shares to the holders thereof, and could not be compelled, as against such holders, theirs being the prior of two equal equities. Herein lay the fraud upon the plaintiffs, and, by reason of that fraud, the plaintiffs became entitled, upon discovering it, to rescind

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the contract, give up the certificates, and demand their money. This they elected to do, and their demand is good against the bank, because of the conceded fact, that their check, obtained by fraud, was delivered to the bank without consideration, and with full notice of the circumstances under which it was obtained, not only through Beach, its president, but through Redfield, its cashier, who received it; and the bank, after such notice, collected the check and now has the money. Money so collected is money had and received to the use of the plaintiffs.

It is no answer to this view of the case, to say, that the certificates of August 8th were valid to give the plaintiffs a right of action against the bank in the event of a failure to obtain a transfer of the shares represented thereby. Whether the certificates, passed to the plaintiffs, were or were not sufficient security, is immaterial. They were not the kind of security that was agreed for, but of a different character; and the false representation of their character, which Beach, by necessary implication, made, when he signed and delivered them to the plaintiffs, gave the plaintiffs the right, on discovering that fact, to reject them and sue for their money.

It has been contended, on the part of the defendants, that the act of Beach, in issuing the certificates of August 8th, in legal effect, cancelled the certificates of the shares of stock which he then had, and thereby rendered the certificates given to the plaintiffs regular and valid. But, the testimony is plain, that the certificates of August 8th were not intended to represent any of the shares certificates for which Beach then had. Beach expressly says, that he told Redfield, that those certificates were not to be cancelled, nor those shares transferred. None of those certificates ever were cancelled or surrendered, nor was any of that stock transferred. Besides, Beach had only 535 shares, and some of those were not in his name, while the certificates passed to the plaintiffs call for 550 shares standing in his name.

Equally unavailing is the suggestion, that the bank itself, when the certificates of August 8th were issued, owned a

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large number of its shares, being those of new subscribers, held as above described, and that these are to be deemed represented by the certificates issued to the plaintiffs, thus rendering them valid. As I understand the evidence, the bank had no shares whatever applicable to such a purpose; but, if it had the power so to deal with the shares referred to, none of them were ever placed in the name of Beach upon the books. The bank never authorized a transfer of any of them to Beach or to the plaintiffs, and it was never intended that the certificates of August 8th should represent any of those shares, but only shares the certificates of which had been given to Crawford, and were then outstanding. The fact, that the bank, in case of a surrender by the plaintiffs of the certificates of August 8th, might be able, if then so minded, either by the appropriation of Beach's shares, or by a resort to shares of its own, to place in the name of the plaintiffs some other 550 shares would not constitute the certificates of August 8th lawful instruments, valid to enable the plaintiffs, at their option, to be placed on the books of the bank, as owners of the shares of stock which the certificates represented, nor would it make true the representation that Beach owned those shares, and that they were transferable upon a surrender of those certificates, and not otherwise; and it would have no effect to impair the right of the plaintiffs to reject those certificates because of the fraud, and to demand back their money.

My opinion, therefore, is, that, upon the view of this case above expressed, the plaintiffs are entitled to the relief demanded. I am, also, of the further opinion, that, when the bank took and, without consideration, applied to its own use the money obtained by its president by means of the certificates of August 8th, and with full knowledge, not only through Beach, its president, but, Redfield, its cashier, that the money had been obtained upon the faith of duplicate certificates of stock issued by the bank to a person not then the owner of the stock, the bank became directly liable to the plaintiffs for the money, as the borrower thereof, and

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cannot be permitted to say that Beach was not authorized so to obtain the money for the bank.

My conclusion, therefore, is, that, upon surrendering, for cancellation, the certificates of August 8th, according to the tender made, the plaintiffs are entitled to be treated as creditors of the Farmers and Citizens' National Bank, to the amount of \$10,000, with interest from August 9th, 1867, and that any distribution of the assets of that bank, otherwise than *pro rata*, among the other creditors and the plaintiffs, as such creditors, must be enjoined.

Richard C. Fellows, for the plaintiffs.

Tracy, Catlin & Van Cott, for the defendants.

MARY F. MCCOMB *vs.* IRA BEARD. IN EQUITY.

The invention described in the letters patent granted to Frederic Cook, March 2d, 1858, for an "improvement in metallic ties for cotton bales," explained.

The third claim of said patent, namely, "The herein described slot, cut through one bar of clasp, which enables the end of the tie or hoop to be slipped side-wise underneath the bar in clasp, so as to effect the fastening with greater rapidity than by passing the end of the tie through endwise," defined.

Such claim is infringed by the tie described in letters patent granted to George N. Beard, December 27th, 1870, for an "improvement in cotton-bale ties." Such claim is new and valid.

(Before BLATCHFORD, J., Southern District of New York, January 9th, 1873.)

BLATCHFORD, J. This suit is brought on letters patent, owned by the plaintiff, granted to Frederic Cook, March 2d, 1858, for an "improvement in metallic ties for cotton bales." The patent was, on the 17th of February, 1872, extended, for seven years from the 2d of March, 1872, but this suit is not brought on the extended term.

Cook's invention is a friction buckle or clasp, to be used with an iron hoop or tie. The drawing of the patent represents the buckle as a flat rectangular plate, in length a little more than double its width, with three closed slots in it, parallel to each other, running crosswise of the plate, thus making four cross-bars, which bars are set off from the plane of the body of the plate, in alternation, the first and third bulging from one face of the plate, and the second and fourth from the other. Approaching the plate from either end of it, the end of the hoop is passed over the first bar, then under the second bar, then over the third bar, then around the further side of the third bar, then back again under the third bar, then under the hoop that is beneath the second bar, and then over the first bar, and between it and the hoop that is above it, such end of the hoop being left to project. The buckle, with the hoop thus arranged in it, being laid on the cotton bale, with the long body of the hoop uppermost, and such body being cut off at the desired length for the bale, the hoop is brought around the bale, and the unconfined end is then passed under the fourth bar, then over the hoop that is above the third bar, then under the second bar and between it and the hoop that is beneath it, then around the side of the second bar, then back again over the second bar, then over the two hoops that are above the third bar, and then under the fourth bar, and between it and the hoop that is beneath it, such end of the hoop being left to project. There are, thus, two loops in the hoop, one around the second bar and one around the third bar, the first and fourth bars serving as friction bars, to prevent the loops from slipping, by tightly confining, between such friction bars and the main body of the hoop, the parts of the hoop which are in contact with such friction bars. The parts of the hoop which form the loops pass by each other, so that when the loops, by the strain of pulling on the hoop, are brought to pull against the bars, the tendency is to turn the buckle over, end for end, and such turning over is prevented only by the action, before mentioned, of the first and fourth,

or outer, or end, bars, as friction bars. The hoop is arranged in the buckle while the bale is under compression in a press, and, when the strain comes on the hoop, by the relaxation of the press, the greater the strain the greater is the action of the friction bars in holding the loops from slipping.

In addition to showing a buckle with four solid bars, the patent shows the fourth bar with a slot or slit cut through it, crosswise of its length, but at an angle, and a little to one side of the centre of its length, and with the adjacent slot in the plate made longer than the other two slots, so as to enable the hoop to be put under the fourth bar, when put under it the second time, by slipping it through the slit, and so under the fourth bar, and to be so arranged as to bear, with its upper side, against the under side of such bar, on each side of the slit. This dispenses with the necessity of putting the end of the hoop, the second time, under the fourth bar, and drawing the hoop through to its proper position, and enables the operation of completing the fastening to be effected more quickly. By the use of the slit, the slack in the hoop before the press is relaxed can be taken up and held better, as a short bend can be made at once to make the loop around the second bar, without leaving such loop to be made by drawing the hoop through under the fourth bar.

The patent has three claims: (1.) "The friction clasp or buckle, for attaching the ends of iron ties or hoops, for fastening cotton bales and other packages, so that the ties are prevented slipping by the friction against a certain portion of the buckle." (2.) "The looping of the ends of iron ties or hoops for bales into a buckle, by the form of which they are prevented slipping by friction, when the strain of the expansion of the bale comes on the ties, the ends of the hoops or ties not being attached together in any way, the connection being formed by a distinct buckle or friction clasp." (3.) "The herein-described slot, cut through one bar of clasp, which enables the end of the tie or hoop to be slipped sideways underneath the bar in clasp, so as to effect the fastening with greater rapidity than by passing the end of the tie

through endwise." The application for Cook's patent was filed in October, 1857.

Advantages in compressing cotton, and other articles, tightly in bales are, in greater facility of handling equal weights, occupation of less room in transportation, and diminution of liability to loss by burning or wetting. Advantages in using iron ties over rope ties are in cheapness, durability, strength, resistance to the expansive force of the bale, and less liability in the tie to be severed by cutting or burning. Iron ties for compressed bales have come to supersede all others, since efficient modes have been devised of securing the ends of the iron ties. At first, such ends were fastened together by riveting. This was too slow a process. On the 17th of June, 1856, David McComb obtained a patent, in the United States, for an "improvement in non-elastic bands for bales of cotton and other fibrous materials." He cut the hoop of the proper length, and then formed each end of it into a hook, and hooked the two hooks into each other, the end of each hook fitting closely into the bend of the other hook, the piece bent over to form each hook being about as long as the width of the hoop. Over these hooks, when put together, he placed a flat link or slide, which secured the hooks from opening when the pressure of the bale was applied, on the removal of the compressing power.

In September, 1856, Charles Swett applied, in the United States, for a patent for an "improvement in cotton bale ties." Swett's application was twice rejected, was then rejected again, on appeal, by the Commissioner of Patents, in April, 1857, and afterwards, in October, 1866, on appeal to the Chief Justice of the Supreme Court of the District of Columbia, a patent was ordered to issue. It was issued October 23d, 1866, to Charles G. Johnsen, as assignee of Swett, and antedated to April 23d, 1866. The invention of Swett consisted in so securing the metallic bands on the bales, that the elasticity of the cotton becomes an active means of fastening the band. Swett employs a metal plate, in which are two slots, parallel with each other, across the plate, the length of the slots being

equal to the width of the band. From the lower and inner edges of the slots, projections extend out obliquely beneath the slots, nearly covering their lower openings. One end of the band is passed through one slot, and bent back against and under the band. The band is then passed around the bale while under pressure, and its other end is put through the other slot, and drawn tight, lapping beyond the first slot, so as to lie up against the first end of the band, out to its end. When the bale is relieved from pressure, the cotton, by its elasticity, presses the ends of the band so firmly, that they cannot be withdrawn from under the body of the band.

On the 24th of September, 1858, George Brodie applied, in the United States, for a patent for an "improvement in metallic bands for baling." The patent was granted to him March 22d, 1859. The general idea of this patent is to bend the ends of the hoop, and insert within the bend a metallic pin longer than the width of the hoop, and have a connecting link to join the two ends of the hoop. Figure 6 of his drawings shows a connecting link made by bending metallic wire into such shape that the opening in the middle of the link is wider than at its ends, the ends of the wire which forms the link meeting at or near one end of the link, where, as the specification says, its ends may be jointed and fastened together or it may be used without any such fastening. Figure 13 shows how the connecting link in figure 6 may be used without any pin in the bend of the hoop, by slipping the ends of the link into the bent ends of the hoop. In the course of Brodie's application, the Patent Office, in a letter to him, suggested that Cook's patent showed "the plate or link split, for more readily slipping in the end of the band."

On the 19th of September, 1859, Rollin M. Taylor applied, in the United States, for a patent for an "improvement in iron ties for cotton bales." He had a link or buckle of metal, with a rectangular hole cut in its centre to receive the loops of the hoop, and an inclined slit or slot cut in one of its sides, the slit being adapted to the thickness of the iron used for the hoop. The ends of the hoop were bent over, so as to form

loops. The buckle could open laterally at the slit, to facilitate the hooking or locking of the loops. The bent ends of the hoop were to be hooked over the two sides of the frame that were next to the side in which the slit was, and the bent ends of the hoop were to be placed next to the bale. Taylor's claim, as applied for, was, the use of the buckle, formed with a slit and opened laterally, in combination with loops, to form the tie. Taylor's application was rejected, in September, 1859, on the strength of figures nos. 6 and 13 in the drawings of Brodie's patent, and was withdrawn in December, 1860. Taylor's invention, as applied for, had been assigned to James J. McComb, the husband of the plaintiff. He had unsuccessfully attempted to introduce into use the tie of David McComb, as patented. Taylor's tie attracted his attention. After the application for a patent for that was rejected, James J. McComb modified the Taylor tie into the "arrow tie" hereafter mentioned.

On the 19th of November, 1859, John T. Butler obtained, in the United States, a patent for an "improvement in fastening metal hoops on cotton bales." His device is a plate of metal with a rectangular hole cut in it, and no slit in its frame, with hooks formed of the ends of the hoop, and hooked around opposite sides of the plate, so that the ends will lie against the bale, and be held in place by the pressure of the bale against them. His claim is to such combination, and is, in fact, like Taylor's, except as to the slit in the frame.

On the 29th of January, 1861, James J. McComb obtained, in the United States, a patent for an "improvement in iron ties for cotton bales." He takes a plate of metal, with a five-sided hole in it, whose two longest sides are opposite each other and equal and parallel, and equal in length to the width of the hoop to be used. From one of such longest sides, through the frame, to the outside, a slit or slot is cut, one side of which is turned outward a little, to facilitate the insertion of the end of the hoop. The hole is lengthened, in the shape of an arrow, or in the form of two sides of an equilateral triangle, from the ends of its two longest sides, so that

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the point of the arrow and the side opposite to it are about equidistant from the outside of the frame. The slit is nearer to the side opposite the point of the arrow, than it is to the place where the arrow shape commences. One hook of the hoop covers the slot, and the other is hooked around the opposite side. The claim is to the arrow-shaped hole. The specification says, that the design of the arrow-shaped end is not only to force the hoop over the slot, which it does with certainty, when the bale expands after being released from the press, but also to secure an equal bearing on the separate parts of the slit side. James J. McComb put this "arrow tie" into the market, and, being threatened by Cook with a suit for infringing the third claim of his patent, in respect of the slit, a purchase of Cook's patent was made, and it was assigned to the plaintiff. Since the close of the war, in 1865, James J. McComb has kept the market at the South fully supplied with the "arrow tie" constructed under his own and Cook's patents, and being what is called an "open slot" tie. Open slot ties made by other persons began to appear in 1869.

In March, 1872, a suit at law, brought by the plaintiff and her husband, in the Circuit Court for the District of Louisiana, against George Brodie, for an infringement of the third claim of the Cook patent, by making and selling an open slot tie, was tried before a jury. There was a verdict, and a judgment, for the plaintiffs. In the same month, provisional injunctions were granted by the same Court, in six suits, founded on the Cook patent, against six different forms of the open slot tie—the Gooch tie, the Wallis tie, the Alligator tie, the Dunn tie, the tie proceeded against in the suit at law against Brodie, and the tie known as the Beard tie, which is the one involved in the present suit. The suit at law, and these suits in equity, were before Judge Woods, the Circuit Judge. The extension of the Cook patent was opposed by the proprietors of the Beard tie and of the Alligator tie, and others.

The control of the use of the open slot tie is very valuable pecuniarily, as that tie has practically superseded the closed

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slot tie. Hence, the zeal and ability with which this suit has been prosecuted and defended, and the importance of the questions involved to the parties and to the public.

The Beard tie, (known also as the "Eureka tie,") which is the one sold by the defendant, is described in a patent granted, in the United States, to George N. Beard, December 27th, 1870, for an "improvement in cotton bale ties." It is a plate with a rectangular oblong central hole in it, the two long sides of the hole being intended to receive and lie in the bends of the hooks formed by bending the ends of the hoop. The edges of such two long sides, instead of being straight lines, are slightly convex from end to end. The plate outside of the hole is made thicker and wider on one of the two sides which do not receive the hooks, than on the other side, and through the latter a slit or slot is cut from the outside into the central hole, to admit of the slipping of the bend of the hook through the slit into the central hole. The lips of the slit are turned down so as to bite into the bale. The tie is sold with one hook set in place. The other is readily slipped into its place, through the slit. The ends of the hoop lie next the bale. The tie is an effective one. It differs but little from the Taylor tie. As in that tie, there is no hook, in the Beard tie, pulling against the side in which the slit is cut, which is a feature of the "arrow tie." The Swett tie and the Butler tie had closed slots and no slit.

It cannot be doubted, that the form of tie with the slit so arranged that all there is to be done, of manipulation, to make the connection of the second end of the hoop with the tie-plate, after the hoop is brought around the bale, is to slip the hook, made by bending down the second end, through the slit, and into its place of bearing, is a great improvement over the complicated form of tie devised by Cook, and which, as the evidence shows, has gone wholly out of use. Nevertheless, it is claimed that the Beard tie, in common with all the other slit or open slot ties, embodies, by reason of the use of the slit to slip the bend of the hook in the hoop over the arm, the invention claimed in the third claim of the Cook

patent. A determination of this question involves the construction and meaning of such third claim.

It is urged, for the defence, that what Cook does is to cut a slit or slot in the loop of a buckle, so as to slip the hoop through the slit sidewise and flatwise, instead of pushing the end under an unslit loop, endwise, and then pulling the hoop through till it becomes flat; that, in the Beard tie, the slot is in one of the walls of the quadrangle which forms the clasp itself, of which arrangement Cook gives no hint; that Beard uses such slot to dispense with passing the end of the hoop through a buckle, of which arrangement Cook gives no suggestion; and that Cook must pass both ends of the hoop through his buckle, and then uses the slit to get the projecting bit of hoop under the loop, which is not the buckle or clasp, but merely an appurtenance to it. It is true, that the Beard tie has no such loop as Cook has, and no slit in any such loop, and uses a quadrangle with a slit through one of its walls, as a clasp. But, these points of difference are, by no means, decisive of the question. Cook, in his third claim, speaks of slipping the end of the hoop sidewise underneath the bar, in contradistinction to passing such end through endwise. When there is no slit, the end of the hoop is passed through under the bar endwise; but, when there is a slit, such end is slipped sidewise underneath the bar. The use of the slit enables the part of the hoop which is required to lie against the bar, to receive the pressure of the bar above it from the pressure of the bale below, to reach its proper place by being slipped through the slit, instead of reaching such place by following the drawing or pushing of the part of the hoop intervening to the end, through underneath such bar. It is necessary for Cook to put the hoop in such place. If he did not, the strain of the compressed cotton would be likely to pull the hoop so as to destroy the loop around the second bar, and ultimately pull the second end of the hoop entirely out of the buckle. Therefore, the bar through which Cook cuts the slit, to enable the otherwise free portion near the second end of the hoop to reach its proper place, is a part of

the clasp or buckle, as much so as any other necessary part of it. Cook completes his tie, of hoop and clasp, more readily and quickly, by the slipping operation through the slit. It is true, he has previously done something towards securing the hoop to the buckle, after bringing the hoop around the bale, but what he has done is ineffective, unless the fourth bar is made to surmount the otherwise free part of the hoop. He, therefore, invented and has claimed cutting the slit or slot through such bar, (which covers the cutting it through an equivalent bar or part of the clasp,) so as to enable the part of the hoop which is to rest under a bar of the clasp to be slipped sidewise through the slit or slot, and avoid putting the end of the hoop endwise through beneath such last named bar. There is no connection between this claim and what is previously done with any other part of the hoop, or any other part of the clasp. The claim is, distinctly, to the use of the slit or slot, so cut, to effect the result indicated, for the object indicated. It would make no difference, in Cook's arrangement, if, instead of lengthening the open space adjacent to his fourth bar, and cutting a slit in such fourth bar, he had left such open space as it was, and not slit the fourth bar, but made a slit through to the outside from one end of such open space. Such arrangement would have embodied his invention, and its use now would infringe his third claim, because it would effect the result indicated, for the object indicated, by substantially the same means and mode of operation.

With this view of Cook's invention and third claim, it is very clear, that it is infringed by the Beard tie. Beard, by using his slit, enables the part of the hoop which is required to lie against the bar, to receive the pressure of the bar above it from the pressure of the bale below, to reach its proper place, by being slipped through the slit. But for that, it would have to reach such place by being brought over the top of the bar and through the open central space, all the while following the drawing or pushing of the part of the hoop intervening to the end, through underneath such bar. Beard

must put the hoop in such place. If he did not, he would have no loop around such bar, and no tie. Such bar is a part of his clasp, and the bar through which his slit is cut is a part of his clasp; and it makes no difference, in the essential use of Cook's invention, that the bend of the hoop, in the Beard tie, does not embrace the side in which the slit is cut. Nor does it make any difference, that, in the Beard tie, the part of the hoop which is slipped under the arm is nearer to the bend of the loop than is the part which is slipped under the bar in the Cook tie; nor any difference, that, in the Beard tie, the bend of the loop is slipped through the slit. The part to be necessarily put in place is put in place by the same means.

In the drawings of the English patent granted to George Hall, November 28th, 1801, for an invention of "elastic fastenings for the shoes, and also for bands, garters, or ornaments for the knees, waist, arms, neck and head," there is an open slit or slot in the body of a quadrangular buckle, with four walls, to enable the bend of a loop to be passed through the open slot into the space within, so as to make the loop embrace the walls adjacent to the open slot. But, rising from within, and pointing in the same direction as the entrance through the slit, and close to the gateway, on each side, is a sharp spike. On these two spikes the elastic fabric is to be impaled, and only through them is it to reach and embrace the walls on each side of the gateway. The apparatus was not to be used with a metallic band or hoop, nor with a rigid band, but with elastic bandages or strings. The spikes are made, by the specification and drawings, an indispensable accompaniment of the open slot. It is impossible to say, with truth, that Hall's arrangement would suggest, or contain, either Cook's arrangement or Beard's. Notwithstanding the open slot of Hall, the application of the principle of looping over a hook, or slipping under a bar, by means of an opening beyond the end of the hook, or of the bar, or in the bar, to making a cotton tie to be used with rigid metallic hoops, required experiment and involved the exercise of invention.

As to the English provisional specification of Frederic

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James Pilliner, dated July 7th, 1856, for "improvements in clasps or fastenings for waistbands, and other descriptions of bands or straps," the counsel for the defendant conceded, on the hearing, that Pilliner's clasp had no open slot.

The link testified to by M. W. Smith, as used in New Orleans as early as 1848, to connect the hames on a harness collar with the trace chains, and enable the two to be rapidly united, the link being stationary on the hames, and the trace being slipped sidewise, in loop, into the link, is an elongated split ring, wholly unadapted to make a cotton bale tie, and not suggestive of Cook's arrangement or of Beard's.

Being satisfied of the clear right of the plaintiff in the premises, I must decree to her an account of profits and damages, in respect to the third claim of the Cook patent. As the present suit is not on the extended term, and the first term has expired, there can be no injunction in this suit.

Samuel S. Fisher and Charles M. Keller, for the plaintiff.

John H. B. Latrobe, and Solomon J. Gordon, for the defendant.

WILLIAM C. BEAN, ASSIGNEE IN BANKRUPTCY OF CHARLES S. KINTZING

vs.

LOUIS E. AMSINCK AND OTHERS. IN EQUITY.

Where several creditors enter into a composition arrangement with their debtor, by deed, it is a constructive fraud on the other creditors signing the deed, for one creditor who signs to enter into a secret arrangement with the debtor, for an advantage over the debtors, in respect to his debt.

Securing 50 *per cent.*, in cash, at once, instead of 70 *per cent.* on time, is such an advantage, when obtained secretly, where the taking of the cash payment so

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embarrasses the debtor as to make it impossible for him to meet his payments to the other creditors, as they mature.

Where such a fraud has been committed, and the debtor afterwards is adjudged a bankrupt, his assignee in bankruptcy may recover from the creditor receiving such cash payment, the amount so paid.

In this case, it was held, that the fact, that the composition deed was, by its terms, not to be binding on any creditor unless all the creditors signed it, and all did not sign it, and the further fact, that the agent who signed it for the favored creditor was authorized to sign it only after all the other creditors had signed it, did not, on the facts of this case, exempt such favored creditor from his liability to repay the money to the assignee in bankruptcy.

(Before BLATCHFORD, J., Southern District of New York, January 10th, 1878.)

BLATCHFORD, J. On the 15th of February, 1869, the firm of Charles S. Kintzing & Co., of St. Louis, Missouri, composed of Charles S. Kintzing and Malcolm S. Lindsley, was indebted to the defendants, who then composed, and still compose, the firm of L. E. Amsinck & Co., of New York, in the sum of \$32,551 65. Kintzing & Co. were also very largely indebted to many other persons, and, having stopped payment, a meeting of their creditors was held at St. Louis, about that date, at which a statement of their financial affairs was presented, showing their condition on the 8th of February, 1869, in which their liabilities were placed at \$179,299 54 and their assets at \$204,602 80. In the latter amount there were only \$77,344 26 of accounts considered good, merchandize and cash, while the rest of the assets consisted of \$51,704 50 of suspended debts, \$10,167 35 of doubtful claims, and \$65,386 69, "due from Montana branch." The business of Kintzing & Co. was the wholesale grocery business. For the purpose of making a compromise with their creditors, an agreement in these words was prepared and presented for signature to such creditors: "Articles of agreement made and entered into this 15th day of February, A. D. 1869, between Charles S. Kintzing & Co., of the city of St. Louis, and his creditors, witnesses, that we, the undersigned creditors of said Charles S. Kintzing & Co., for and in consideration of one dollar to each of us paid by said firm, and for divers other good and valuable considerations, agree to accept, in full payment and satisfac-

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tion, seventy (70) cents on the dollar, for the entire indebtedness of said firm to us respectively, as shown by the amounts set opposite our signatures hereto, to be divided up into three equal payments, at six (6), twelve (12) and eighteen (18) months respectively from the date hereof, without interest, and is evidenced by three (3) negotiable notes of Charles S. Kintzing & Co., of even date herewith, and, on the payment of which, said firm is to be released from all liability on account of said indebtedness; and be it further known, that we have entered into this compromise with said firm of Charles S. Kintzing & Co., after hearing and seeing a statement of Messrs. Kintzing & Co.'s books, assets and effects, and find that it is the best, in our judgment, that can be done for the interest of all concerned; and, further, that we have full confidence in the integrity of Charles S. Kintzing, and his ability to settle up the business better than any one we could appoint; but it is further expressly agreed and understood, that this composition is not to be binding on any one, unless agreed to and signed by all of the creditors of said firm. In witness whereof, we have hereto set our respective names, and desire the co-operation of all the creditors with us in this compromise." This composition agreement was ultimately signed by sixty-three of the creditors, including the defendants, the aggregate of whose debts, as set opposite their signatures, amounted to \$153,558 21. The debt due to the defendants was more than double that due to any other one creditor. For the purpose of procuring the signature of the defendants to the agreement, Kintzing went to New York and had an interview with one of the defendants, and desired their assent to the compromise, to which the reply was, that, if he could obtain the assent of the other creditors, the defendants would not stand in the way, if Kintzing would afterwards pay them fifty cents on the dollar, on the amount of the indebtedness, in the manner stated in the letter of March 8th, 1869, hereafter referred to. An agreement to that effect being verbally made between Kintzing and the defendants, the latter, under date of New York, March 8th, 1869, wrote, and signed, and sent to the

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firm of F. A. Reuss & Co., of St. Louis, a letter, in the following words, addressed to that firm, at St. Louis, which they delivered to Kintzing, in New York, and which he carried to St. Louis: "We hereby authorize you to sign, as our attorneys, the agreement entered into by Chas. S. Kintzing & Co. with their creditors, accepting their extension notes for 6, 12, and 18 mos., for seventy *per cent.* of their indebtedness, under the following conditions: (1.) That all other creditors must have signed before us; (2.) That Chas. S. Kintzing & Co. discount their extension notes, upon your signing said agreement, paying for them \$5,808 27 in cash, on or before the 15th inst., \$5,233 78 in their new note due 1-4 April, \$5,233 78 in their new note due 1-4 May—\$16,275 83, say, sixteen thousand two hundred and seventy-five $\frac{1}{100}$ dollars, in all; (3.) That, upon your lawyer's advice, Chas. S. Kintzing & Co. have a legal right to enter into the above arrangement with us. Referring you, for further particulars, to our letter by mail, we remain," &c. F. A. Reuss & Co. received from the defendants, otherwise than through the letter so given to Kintzing, instructions the same in substance as those contained in that letter. After sixty-two of the creditors, representing debts put down at \$121,006 56, had signed the agreement, F. A. Reuss & Co., on the 15th of March, 1869, signed it thus: "L. E. Amsinck & Co., by F. A. Reuss & Co., their Att'y, 32,551 65," that signature being the last one which appears appended to the agreement. Whether, at the time Reuss & Co. so signed, Kintzing gave to them, for the defendants, three notes, according to the terms of the agreement, payable in 6, 12, and 18 months, dated February 15th, 1869, for seventy *per cent.* of the \$32,551 65, does not, perhaps, clearly appear; but, when Reuss & Co. so signed, Kintzing gave to them, for the defendants, \$5,808 27 in cash, and two notes, each dated St. Louis, March 2d, 1869, each for \$5,233 78, one payable thirty days after date, and the other payable sixty days after date, each signed Chas. S. Kintzing & Co., and each payable to the order of the defendants' firm, one to become due April 1-4, the other May 1-4. On the 16th of March, Reuss & Co.

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wrote a letter to the defendants, reporting thus: "Have signed in your name the list of K. creditors. Mr. K. came up last night, and brought us cash and notes as per agreement. Our lawyer satisfied himself so much that all K.'s cred. have signed the 70c. The 2 notes you find enclosed, you may return us the same properly endorsed, and, in case K. don't come up, we promise you to be after him again." The letter also accounted with the defendants for the \$5,808 27 cash. The two notes were received by the defendants, and endorsed by them, each payable to F. A. Reuss & Co., or order, and returned by the defendants to F. A. Reuss & Co. Reuss & Co. received payment of the notes in full from Kintzing, and remitted the amount to the defendants, \$2,500 being paid on the 3d of April, 1869; \$2,733 78 on the 10th of April, 1869; \$3,000 on the 4th of May, 1869; and \$2,233 78 on the 11th of May, 1869. Thirty-three creditors, with debts to the amount of \$2,313 53, did not sign the compromise agreement.

From and after time when the firm of Charles S. Kintzing & Co. so suspended payment, it seems to have been regarded by the partners in it, Kintzing and Lindsley, as dissolved. The assets, with the tacit assent of Lindsley, passed into the exclusive possession of Kintzing, for administration for the benefit of the creditors of the firm, as contemplated by the terms of the compromise agreement. Lindsley was largely in debt to the firm. Kintzing took the stock of merchandise, and, making new purchases on his own account, went on in business, in St. Louis, in his own name, from about the 1st of March, 1869, selling the old stock and the new stock, and mingling the funds arising from the goods and assets of Charles S. Kintzing & Co. with those arising from his new individual business, although he kept a separate set of books for each business. The moneys paid to the defendants were paid out of such mingled funds.

After so settling with the defendants, on the 15th of March, Kintzing proceeded to send to the other creditors who had signed the compromise agreement, six, twelve and eight-

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een months' notes, made by Charles S. Kintzing & Co., for the 70 *per cent*. The first of the six months' notes matured on the 18th of August. None of them were paid at that date. The amount of them maturing on that day was \$24,768 39. The amount of the compromise notes outstanding on the 18th of August, to mature after that date, was \$45,795 26. Kintzing continued to carry on business until the 18th of August, and, on the 21st of August, made a voluntary assignment of all his property, in trust for his creditors, to one Pritchard, under the laws of Missouri. Comparatively small sums were realized from the assets of Kintzing & Co., before mentioned. Of the \$65,386 69 due from Montana branch, \$200 in cash was received and \$17,000 in notes. Of the \$22,265 64, accounts considered good, Kintzing collected about \$6,000. The stock of merchandise depreciated to some extent. Between February 15th and August 1st, Kintzing paid to creditors of the firm, other than the defendants, \$5,836 02. From the 15th of February to the 18th of August, the total cash receipts by Kintzing were about \$75,000, and the cash payments were \$103,000. The amount of merchandise purchased by Kintzing after the 15th of February was about \$32,000. The total amount of sales of merchandise by Kintzing from the 15th of February to the 18th of August, was \$62,189 59. Of this amount he received about \$54,000 in cash prior to the 18th of August. Kintzing did not, when the creditors signed the agreement, or when the compromise notes were delivered to such creditors, inform any of them of the arrangement made with the defendants, nor does it appear that any creditors knew of it, other than the defendants. There was turned over to Pritchard, under the assignment to him, a quantity of merchandise and notes and accounts, and a small sum in cash. He sold the merchandize, and collected some of the notes and accounts, and afterwards turned over to the plaintiff \$11,199 in cash and the uncollected notes and accounts, amounting to \$42,771 58, of which the plaintiff has been able to collect only \$453 25.

On the 17th of September, 1869, creditors holding some

of the six months' compromise notes, signed Charles S. Kintzing & Co., and dated February 15th, 1869, presented a petition thereon, to the District Court of the United States for the Eastern District of Missouri, alleging that they "are creditors of Charles S. Kintzing, a member of the late firm of Charles S. Kintzing & Co.," the indebtedness being the said notes, which are averred, in the petition, to have been given to the petitioners by Kintzing, and alleging various acts of bankruptcy to have been committed by Kintzing, and, among others, a preferential payment to the defendants of the sums so paid, and praying that "the said Charles S. Kintzing, doing business as aforesaid, under the style and firm of Charles S. Kintzing & Co.," be declared bankrupt, and his estate be distributed according to law. Kintzing was adjudicated a bankrupt on such petition, and an assignment, under the Act, of "all the estate, real and personal, of the said Charles S. Kintzing, bankrupt aforesaid, including all the property of whatever kind of which he was possessed, or in which he was interested, or entitled to have, on the 17th day of September, A. D., 1869," was executed to the plaintiff, in due form, on the 4th of January, 1870.

The bill alleges, that the arrangement between Kintzing and the defendants was a fraudulent agreement, on the part of the defendants, with the intent of deceiving and cheating the other creditors of Kintzing, and with a view to obtain a fraudulent advantage over them; that the payments were made by Kintzing to Reuss & Co., as the agents of the defendants, in pursuance of the said fraudulent agreement, and in violation of the compromise agreement; that the defendants concealed the fraudulent agreement, and the payments, from the other creditors of Kintzing and of the firm of Charles S. Kintzing & Co.; and that said creditors were deceived, to their damage. The prayer of the bill is, that, all the payments so made by Kintzing to the defendants may be decreed to have been made in fraud of the other creditors of Kintzing and of Charles S. Kintzing & Co.; that the defendants may be decreed to account for, and pay over, to the

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plaintiff the sums of money so paid to them by Kintzing, and to render a full account of all moneys paid to them by Kintzing, or by Charles S. Kintzing & Co., since February 15th, 1869; and that all the property and effects, both of Kintzing and of the said firm of Charles S. Kintzing & Co., may be decreed to have vested in the plaintiff, as such assignee in bankruptcy.

The answer denies that an agreement was made which was fraudulent, or made with an intent, on the part of the defendants, to deceive or cheat the other creditors of Kintzing, or with a view, on their part, to obtain a fraudulent preference over the said other creditors. It admits, that, subsequently to the 15th of February, 1869, Reuss & Co., by the authority of the defendants, signed, in the firm name of the defendants, the compromise agreement. It denies that any money paid to the defendants vested in the plaintiff. It avers, that the defendants received the payments, believing, after the compromise agreement was signed, that Charles S. Kintzing & Co. were solvent, and able to pay all their then debts; that the other creditors also so believed; that, in consideration of the payments, they discharged Charles S. Kintzing & Co. from all liability, which, under the compromise agreement, amounted to \$22,786 15; that the transaction can, in no respect, be questioned by the plaintiff, in consequence of its being contrary to public policy, in respect to its infringement of the terms of the compromise agreement; that, at the time of the filing of the petition in bankruptcy, Lindsley was a partner of Kintzing, under the firm name of Charles S. Kintzing & Co., and the debts claimed by the creditors by whom said petition was filed, were contracted by said firm, so composed, the members of which were, both of them, liable, as such partners, to said creditors, on said debts, at the time the petition was filed, and afterwards; that Lindsley was not made a party to the bankruptcy proceedings, or adjudged bankrupt, although he was alive, and resided in the United States; that, therefore, the Court in Missouri never acquired jurisdiction of the proceedings, so as to adjudge Kintzing to be bankrupt; and that the

plaintiff, by his appointment as assignee, never acquired any title to any of the estate of said firm of Charles S. Kintzing & Co., or to the claim or cause of action set forth in the bill.

The principle upon which the plaintiff seeks a recovery, in this case, is well settled. Such a transaction as that in which the defendants engaged was a constructive fraud on the other creditors. Those who entered into the composition agreed, by its terms, to accept the seventy *per cent.* in full payment and satisfaction of their claims, relying on the statement which had been exhibited to them, of the books, assets, and effects of their debtors, and, in substance, constituting Kintzing their trustee, to take such assets and effects, and settle up the business, by applying such assets and effects to the payment of the compromise notes. Such an arrangement was necessarily based on the good faith of all the creditors entering into the composition, in their dealings with the debtors, and with each other; and there could be no good faith, either towards the debtors, or towards the other creditors, when one creditor obtained, by a secret arrangement with the debtors, which amounted to coercion and duress upon the debtors, the advantage of an early, certain cash payment of one-half of his debt, which resulted in making the debtors unable to pay to the other creditors any part of the seventy *per cent.* for which they bargained. They supposed the favored creditors were acting in good faith, in agreeing to the same terms they agreed to; whereas, it turns out that such favored creditors have been bribed to hold themselves out as agreeing to such terms. Secret agreements of that kind are held void, both by Courts of law and Courts of equity, and are not enforced, even against the assenting debtor, or his sureties, or his friends. Public policy, and the interests of unsuspecting and deceived creditors, forbid the enforcement of such secret agreements; and it makes no difference whether threats or oppression were used to induce the debtor to consent to the secret agreement, or whether he was merely a volunteer, offering his services, and aiding in the intended deception.

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(1 *Story's Eq. Juris.*, §§ 378, 379, and cases there cited; *Clarke v. White*, 12 *Peters*, 178, 199; *May on Fraudulent Conveyancing*, 86, and cases there cited; *Russell v. Rogers*, 10 *Wendell*, 473, 479; *Wiggin v. Bush*, 12 *Johnson*, 306, 309; *Bean v. Brookmire*, 1 *Dillon*, 151, 154; *Dangleish v. Tennent*, 2 *Law Rep., Q. B.*, 48, 54.) Not only are such secret agreements not enforced, but money paid under them is allowed to be recovered back by the debtor, as having been obtained in violation of the principles of public policy, and affirmative relief is given to the debtor against such agreements, even where they are not forbidden by an express statute. (*Smith v. Bromley*, *Doug. R.*, 696, note; *Jackman v. Mitchell*, 13 *Vesey*, 581; *Wood v. Barker*, *Law Rep.*, 1 *Eq. Cases*, 139.) Nor is it material, whether the secret agreement gives to the favored creditor a larger sum, or an additional security or advantage. (*Eastabrook v. Scott*, 3 *Vesey*, 456; *Constantein v. Blache*, 1 *Cow's Ch. Cases*, 287.) The case of *Cullingworth v. Loyd*, (2 *Beavan*, 385,) shows, that, although there is no general meeting of creditors, nor any agreement entered into by the creditors generally, yet, if a proposition is made to the creditors at large to pay them all a composition on certain terms, no creditor can ostensibly accept such composition, and sign the deed which expresses his acceptance of the terms, and, at the same time, stipulate for, or secure to himself, a peculiar and separate advantage, which is not expressed upon the deed. In *Leicester v. Rose*, (4 *East*, 372, 383,) it is said, that the fraud, in such a case, may consist in putting the favored creditor in a better situation than the other creditors; that it is not necessary he should stipulate to receive more money than the others; but the fraud may consist in receiving that which is meant to procure him more money, namely, a better security for the same sum; and that it is a fraud on the creditors at large, for a person to hold out that he will come in under the general agreement, by signing the deed when presented to him separately, and then to stipulate for a further partial benefit to himself.

The leading cases on the subject are reviewed in *Breck v.*

Cole, (4 *Sandf. S. C. R.*, 79,) and the conclusion is thus stated: "It is the clear and inevitable result of the decisions, that, where a composition is made with creditors, every security given to a particular creditor, not provided for in the terms of the deed, and not disclosed, is void, as a fraud upon the creditors from whom it is concealed, and, where it is taken from the debtor himself, as a condition of his discharge, is void upon the ground of duress, as well as of fraud." It is also said, in that case, that it makes no difference, that the secret agreement does not have, and cannot have, the effect of depriving the other creditors of any portion of the amount they had agreed to receive; that it is sufficient if a fact is concealed which it was material for them to know, and the knowledge of which might have prevented them from assenting to the composition; and that, upon a composition deed, all the parties are supposed to stand in the same situation, and, if there is any one who refuses to do so, he must announce it at the time, it being impossible to say, that those who signed the deed in the confidence that, under it, the rights of all would be equal, would have signed it at all, if it had been known to them that a better security was to be given to any one creditor than that which, by the terms of the deed, all had consented to take. These views are approved by Judge Woodruff, in *Carroll v. Shields*, (4 *E. D. Smith*, 466). The case of *Pinneo v. Higgins*, (2 *Abb. Pr. Rep.*, 334,) is very much like the present one. There, the favored creditor held out to the debtor that he would unite in the composition, if the other creditors did. When all the other creditors had signed, he sought to obtain better terms, and then agreed to sign if those terms were complied with, and finally did sign because they were complied with. In that case, it was urged, that no creditor was induced to sign because the favored creditor had signed. But the Court held, that it was of no consequence whether the name of the favored creditor was the first that was signed to the composition agreement, or the last; that he, by signing, entered into an agreement with the other creditors, as well as with the

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debtor; and that the separate agreement was equally void, whether made after all the other creditors had signed, or whether before, or after, the creditor who made it had signed.

It is contended, for the defendants, that the present case does not fall within the principles thus settled, because it was expressly provided, in the composition agreement, that it was not to be binding on any one, unless agreed to and signed by all the creditors, and it was not signed by all the creditors; and because the defendants bargained for fifty *per cent.* only of their claim, and threw away twenty *per cent.* of it; and because Reuss & Co. were authorized to sign only after all the other creditors had signed, and there were creditors who did not sign at all, and such condition was not waived either by Reuss & Co., or by the defendants. The ground taken is, that, as the composition agreement never had any binding force as against the defendants, the payment to them of fifty *per cent.* of their debt did not violate any rights of the other creditors under the compromise. The difficulty with this view is, that it overlooks the true relations of the defendants to the other creditors. The defendants and Reuss & Co. supposed, as is evident from the letter of the 16th of March, 1869, from the latter to the former, that all the other creditors had signed. They, therefore, acted on that view, in taking the fifty *per cent.*, and pretending to assent to the compromise terms, and concealing from the other creditors the special arrangement. So, too, the other creditors, inasmuch as the deed, by its terms, provided that all the creditors must sign before the composition should be binding, had the right to suppose, in receiving their composition notes, that all the creditors had signed, and that all were to receive like notes, and nothing further. They acted on that view, in taking their notes. Hence, not only must the agreement, for the purposes of this case, be regarded as having been signed by all the creditors, but each creditor has a right to stand as if the defendants had signed before him.

Nor does it make any difference that there may not, in

fact, have been any manual tradition of the compromise notes to Reuss & Co., or to the defendants. The letter of the 8th of March, 1869, from the defendants to Reuss & Co., states, expressly, that the fifty *per cent.* is to be received as a "discount" of the compromise notes, and that those notes are to be discounted on the signing of the agreement by Reuss & Co. Therefore, the signing, the receipt of the compromise notes, and their "discount," were to be simultaneous acts; and the defendants, having accepted the "discount," and retained it, under that arrangement, are estopped from saying that the compromise notes were not received by them, or that Reuss & Co. had no authority to sign the agreement, or that it was not binding because all the creditors did not sign it. The defendants did not treat separately in respect of their debt, but as a part of the general creditors, all of whom were, as they knew, to be invited to accede to the same terms.

Nor is there any force in the fact that the defendants obtained only fifty *per cent.* of their claim instead of seventy *per cent.* By obtaining the fifty *per cent.* they substantially exhausted a large part of the resources of the debtors. They intended to make it sure that they should obtain the whole of their fifty *per cent.* before any of the compromise notes which the other creditors were to receive should fall due, and they further intended to make it sure, by signing last, that no creditor should be left free to proceed against the debtors on his original claim, so as to prevent the payment of the whole of the fifty *per cent.* It is to be assumed that other creditors would have preferred such an arrangement as the defendants made. At all events, it is to be assumed that others who signed would not have signed, had they known of the private arrangement with the defendants, which was to strip the debtors of a large part of their means of paying the six months' compromise notes. The amount of such notes, actually given, was \$24,768 39. The amount of the defendants' first compromise note, at seventy *per cent.*, would have been \$7,595 38. Before half of the six months had elapsed, the defendants had exacted from the debtors \$16,275 83. The position of the creditors who have been defrauded by the

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private agreement would have been no different from what it is, if all the creditors had signed the compromise agreement; or if, all signing it, the defendants had not signed last; or if, only a part signing it, including the defendants, the defendants had not signed last. Such position, too, is the same it would have been, if, all the creditors signing the compromise agreement, the defendants had signed it first; or, only a part signing it, including the defendants, the defendants had signed it first.

The suggestion, that, if the compromise at seventy cents had been carried out, Kintzing & Co. were solvent, has no force, except to show, that the defendants, by rendering it, through their fraud, impossible that the compromise should be carried out, made Kintzing & Co. insolvent.

It being clear, therefore, that the transaction was a fraud on the creditors, the right of the plaintiff to recover back the money, for such creditors, is equally clear. Whether the money could or could not be recovered back by the debtor, the 14th section of the bankruptcy Act especially vests in the assignee all property conveyed by the bankrupt in fraud of his creditors, and authorizes him to sue for and recover the same. This applies to conveyances fraudulent at common law, and to transfers of property such as that in the present case. (*Knowlton v. Moseley*, 105 *Mass.*, 136; *Bean v. Brookmire*, 1 *Dillon*, 151, 154.)

It is contended, that the bankruptcy proceedings were against Kintzing alone, and not against Lindsley also, and not against the firm; that the plaintiff is the assignee only of Kintzing individually, and not of the assets of the firm; that the copartnership was never dissolved; that the plaintiff does not represent the interest of Lindsley in the claim sought to be recovered in this suit; and that Lindsley has an interest in it, which did not pass to the plaintiff. It is apparent, from the evidence, that the firm was regarded as dissolved by all parties concerned, by Kintzing, by Lindsley, and by the creditors, including the defendants, and that the assets and effects of the firm were regarded as being put into Kintzing's hands,

in trust, to settle up the business, as the appointee of the creditors, and pay the compromise notes. Kintzing passed into the hands of the State assignee all that was left of such assets, as being part of the estate of Kintzing. From the State assignee they passed to the plaintiff, as the assignee of Kintzing, as part of the estate of Kintzing.

But, there is another view of the matter. The composition deed does not appear to have been assented to in any manner by Lindsley. He is not named in it, nor was he, so far as appears, a party to it, potentially. The deed is made between "Charles S. Kintzing & Co." and *his* creditors. There does not seem to have been any authority, so far as Lindsley was concerned, to sign the firm name to the compromise notes, so as to bind him by them. The compromise notes, therefore, signed by Kintzing with the firm name, were the individual notes of Kintzing. Having given them, he was to have the assets to administer, with which to pay them. This was the view of the creditors and of the bankruptcy Court. The petition states, that the petitioners are creditors of Kintzing, a member of the late firm, and that his debts to them are two of these six months' compromise notes, signed in the name of Charles S. Kintzing & Co., but given by Kintzing, and that he committed all of the alleged acts of bankruptcy, one among them being the preferential payment by him to the defendants, as creditors of his, of the moneys before mentioned; and the prayer of the petition is, that Kintzing, so doing business as Charles S. Kintzing & Co., may be declared bankrupt. The defendants, as before shown, having really accepted the compromise notes, and received the fifty *per cent.* as a discount of those notes, and those notes, as well as all the other compromise notes, being really only the individual notes of Kintzing, and it appearing that the moneys paid to the defendants were paid by Kintzing out of the general funds of Kintzing, it follows, that, although those funds may have been, in part, the proceeds of the assets of the former firm, and although it may appear, on a calculation, that Kintzing was a debtor to such former firm, in respect of

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the assets he received and converted into money, to an amount sufficient to cover the payments to the defendants, yet the claim sought to be recovered in this suit is a claim belonging to the estate of Kintzing and recoverable by the plaintiff, as his assignee. How the plaintiff shall distribute the amount of the recovery, under the direction of the bankruptcy Court, as between persons who were creditors of the former firm, (including those who received and those who did not receive compromise notes,) and persons who, though creditors of Kintzing, were never creditors of the former firm, is a question not involved in this suit.

There must be a decree for the plaintiff, for the several amounts of money paid to the defendants, with interest, and costs.

Edward B. Merrill, for the plaintiff.

Augustus F. Smith, for the defendants.

In re EDWARD A. CASEY, A BANKRUPT.

The review, by the Circuit Court, of an order made by the District Court, in the exercise of its summary jurisdiction in bankruptcy, under the 1st section of the bankruptcy Act of March 2d, 1867, (14 *U. S. Stat. at Large*, 517,) cannot be had by means of an appeal, taken under the 8th section of said Act.

The practice in general use, in the Second Circuit, for the review of such an order, is by a petition to the Circuit Court, setting forth so much of the proceeding in the District Court as is necessary to show the order complained of, and the facts on which it was based, or the evidence, where the facts are in dispute, pointing out specifically the supposed error or errors, and asking a review and reversal, or modification, of the order complained of.

A mere notice of appeal is not "proper process," for invoking a review of such an order.

Semble, that the review of such an order may be applied for at any time before the supposed erroneous order is carried into execution.

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A summary proceeding, by order to show cause, based upon a petition in the District Court, in bankruptcy, asking that the assignee in bankruptcy be directed to pay the mortgage debt out of the estate, and that, in default of payment, the assignee and a subsequent mortgagee be foreclosed of all equity of redemption in the mortgaged premises, cannot, for the purposes of an appeal from an order made thereon, directing that a decree of foreclosure be made in favor of the petitioner upon one mortgage, and in favor of such subsequent mortgagee on another, and ordering a reference, to ascertain the amount due on those mortgages, and dismissing the petition as to a third mortgage, but not settling the terms, or conditions, or times, when the foreclosure shall become operative, be regarded as a suit, so as to sustain an appeal taken from such order, under the 8th section of said Act.

Such an order, if regarded as made in a suit, is not a final decree therein.

The appeal provided for by the said 8th section can be taken only from a final decree.

Jurisdiction to foreclose a mortgage on the estate of a bankrupt, at the instance of the mortgagee or holder, is not included in the powers to be exercised summarily under the 1st section of said Act.

(Before WOODRUFF, J., Vermont, January 18th, 1878.)

WOODRUFF, J. Isaac Alden, claiming to be the owner, by assignment, of certain two mortgages upon real estate of the bankrupt, presented his petition to the District Court, setting out a mortgage, dated June 19th, 1841, made by a former owner of the premises, to one Austin, afterwards assigned to the petitioner, and another mortgage, dated August 7th, 1855, made by the bankrupt to Mary A. Newman, which was afterwards, as he states, delivered to him, and which, he states, he now owns, with the promissory notes thereby secured. The petitioner also states, that, on the 10th of November, 1865, the bankrupt executed another mortgage, upon the same premises, to Nathan T. Sprague. He further states, that the amounts of the several mortgages are due and unpaid, with the exception of certain payments on account thereof, which it is not material here to specify; and he asks, that the bankrupt and the assignee of his estate in bankruptcy, Thurman Brokins, and the holder of the said third mortgage, Nathan T. Sprague, show cause why the Court should not order the assignee to pay the first two mortgages out of the funds of the estate of the bankrupt, if any he has, or, in default of a payment thereof by them, or some one of

them, that they and each of them be foreclosed of all equity of redemption in said premises, or why the petitioner should not have such other order or relief as to the Court should seem equitable, &c. The bankrupt, apparently, paid no attention to this petition. The assignee and the third mortgagee showed cause. The former sets up the existence of various alleged defences to the mortgages described in the petition as held by the petitioner, and alleges that various payments have been made thereon which are not credited; that the notes secured by the mortgage given to Newman are barred by the statute of limitations; that the petitioner has no title, legal or equitable, to the mortgage given to Newman, or the notes secured thereby; that, when the said Newman conveyed the real estate to the bankrupt, for the consideration, in whole or in part, expressed in the said mortgage given to her for the price, she covenanted that the premises were free and clear of all other incumbrances, whereas, in fact, the prior mortgage to Austin was then an incumbrance thereon; that the amount of such prior mortgage ought, in equity, to be allowed to the estate of the bankrupt, in abatement of the sum secured by the mortgage to her; that the mortgagee Newman has never assigned the mortgage which was executed and delivered to her; that, in respect to the notes which the petitioner claims to have purchased, they have never been endorsed by her, and she denies his title thereto; that, in respect to others of said notes, (being about one-half of the amount mentioned in the said mortgage,) they are held by, and belong to, the wife of the petitioner, as her separate property; and, finally, that, on the 22d of March, 1870, the petitioner and his wife released to the bankrupt the mortgage premises.

The mortgagee Sprague alleges the validity of his own mortgage, and, upon information and belief, states that payments have been made on the other mortgages, and, also, that, except upon recent information, he has no knowledge of the existence of such mortgages.

Proofs were taken upon the facts alleged, and the District

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Court made an order, "that a decree of foreclosure be made in favor of the petitioner, upon the mortgage described in the petition as executed on the 19th of June, 1841, * * * to Gustavus A. Austin, and also on the mortgage described in said petition as executed on the 11th of November, 1865, * * * to Nathan T. Sprague, and that the case be referred to the clerk of said Court, to ascertain the sums due on said mortgages respectively," and dismissing the petition, with costs, as to the notes and mortgages alleged to have been executed in 1855 to Mary A. Newman. From this order the petitioner appealed in the form and manner prescribed in the eighth section of the bankrupt law, which regulates appeals to this Court from the District Court in cases in equity, under the jurisdiction created by that Act. The assignee in bankruptcy moves to dismiss the appeal, and, subject to that motion, the propriety of the order has been discussed.

The appeals provided for in the eighth section are appeals in that class of cases mentioned in the third paragraph of the second section of the Act, which gives to the Circuit and District Courts concurrent jurisdiction of suits, at law or in equity, which may be brought by the assignee in bankruptcy against any person claiming an adverse interest, or by such person against such assignee, touching any property, or rights of property, of said bankrupt, transferable to or vested in such assignee. The cases in equity mentioned in the eighth section, are suits in equity, whereof the District Court obtained jurisdiction by the paragraph last referred to. The appeal in such cases is not the application for a review of the summary orders or proceedings of the District Court in the ordinary course of proceedings in bankruptcy, or upon petition therein. The summary jurisdiction given by the first section of the bankrupt law may be exercised upon the ordinary processes, orders to show cause, notices of motion, &c., therein, or upon petition, where special aid or relief is sought in any matter embraced in that jurisdiction. The review of orders made thereupon is not by appeal under the eighth section, but by bill, petition, or other proper process, of any

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party aggrieved. The precise form of invoking the general superintendence and jurisdiction of this Court, to review such orders, is not fixed by the statute, but, the practice in this Circuit, in general use, is for the party desiring such review to present to this Court a petition, setting forth so much of the proceeding in the District Court as is necessary to show the order complained of, and the main facts upon which it was based, or the evidence, when the facts are in dispute, pointing out specifically the supposed error or errors, and asking a review and reversal, or modification, of the order complained of.

I have heretofore, in this District, (*In re Clark*, 9 *Blatchf. C. C. R.*, 379,) expressed my disapproval of an attempt to bring into this Court the proceedings of the District Court for review, upon the vague and general allegation, even in a petition, that there is error therein. The law contemplates, that, whether the superintendence and jurisdiction of this Court be exercised by bill, petition, or other proper process, the matter be brought before the Court in some form in which the errors alleged shall be presented for examination, and not that this Court shall be called upon to rove through the entire proceedings, on a general allegation that there is somewhere error therein. If, therefore, in the absence of specific statute provision, it were claimed, that, irrespective of the eighth section, a notice of appeal would be "proper process," for invoking such review of summary proceedings in the District Court, I should be constrained to hold that such a notice is not sufficient.

In this matter, the proceeding in the District Court was not a suit. It was an application to the summary jurisdiction of the Court, sought to be exercised by an order upon the assignee and others to show cause as upon motion, and, on showing cause, an order thereupon was made. If it appeared that the form of a notice of appeal had been adopted under the belief that this Court would treat that as "proper process," under the first clause of the second section, the suggestion would be obvious, that such a notice would not, *per se*, bring before this Court the proceedings of the District Court, nor

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any part of them. There is no statute, nor any rule, which gives such a notice effect to bring those proceedings into this Court. Whether such a notice would operate even to warrant this Court to make any order by which the proceedings of the District Court should be certified to this Court, is not clear; and, whether this Court could make an order based upon such notice, permitting the party supposing himself aggrieved to amend his proceeding, by filing a petition or specification of errors, *nunc pro tunc*, it is not necessary now to consider, for reasons which will be suggested. Such an order does not seem to be necessary. I find no specific limitation of the time within which a review of summary proceedings may be sought; and it would seem, therefore, that such review may be applied for at any time before the supposed erroneous order is carried into execution.

It was urged, by the counsel for the petitioner, that, although the proceeding was not so in form, yet it was, in substance, a suit in equity to foreclose mortgages held by the petitioner, heard upon bill, answers, and proofs, and that mere form ought to be disregarded, and the appeal sustained under the eighth section of the bankrupt Act. I cannot concede that the proceedings may, with any propriety, be deemed and treated as a suit. But, if I could, then I should certainly be compelled to dismiss the present appeal, for, the order sought to be reviewed is not a final decree in such a suit. The order, as an order in a foreclosure suit, is interlocutory merely. It determines, preliminarily to a decree in foreclosure, as to which of the three mortgages a decree of foreclosure shall hereafter be entered, and, with a view to such decree, directs the ascertainment of the amounts due; but, what are to be the terms and conditions of the foreclosure of the equity of redemption, nor at what time such foreclosure shall be final and operative, as a bar to the right of redemption, is not settled, nor is the order, in any sense, ripe for final execution. This Court has heretofore held, that the appeals given to the Circuit Court, in suits in equity, by the eighth section of the bankrupt Act, are from final decrees of the District Court, and not from orders,

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or interlocutory decrees, not settling all the rights in controversy. (*Clark v. Iselin*, 9 *Blatchf. C. C. R.*, 196.)

I have discussed these questions at some length, because the views of this Court in relation to the practice under the bankrupt law do not seem to have been fully understood in this District; and I might dispose of this proceeding here, by directing that the appeal be dismissed, but, I foresee that the petitioner may feel some embarrassment and uncertainty respecting the course which is open to him. It is, therefore, not altogether impertinent, in view of a possible renewal of the application to review the order made in the District Court, by the filing of a petition of review, or otherwise, to say, that the proceeding was a mistaken one, in the first instance. Jurisdiction to foreclose mortgages upon the estate of the bankrupt is not included in the powers to be exercised summarily under the first section of the bankrupt Act. Jurisdiction to order such foreclosure, in favor of an alleged mortgagee claiming adversely to the assignee, and adversely to another mortgagee or mortgagees, where the title of the applicant is disputed, the amount claimed is denied to be due, and where it is insisted that he has already released the lien, if any existed, is, most clearly, not embraced in that first section. Controversies like the present must be conducted by a suit, to which all persons claiming adversely to the complainant are made parties, and in which each will have the right of appeal given by the law, and, when the amount is sufficient, to the Supreme Court of the United States.

I forbear expressing an opinion upon the facts in this case; but, it is not obvious, that, if a part of the notes secured by the mortgage to Mrs. Newman are owned by the wife of the petitioner, as her separate estate, a foreclosure can be had in a suit in equity to which she is not a party; nor, if Mrs. Newman claims the other notes adversely to the petitioner, and that is known to the other parties interested, is it clear that she is not to be made a party to any proceeding by the petitioner, in equity, to enforce them as a lien. Upon what ground this mortgage to Mrs. Newman was deemed invalid,

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or was excluded by the order made by the District Court, was not suggested on the argument. It may have been because the real parties interested therein were not before the Court. Obviously, the claims in this respect were not very fully exhibited. Whatever may be said of defect of parties, it is, at least, doubtful, whether the petitioner did not acquire some interest in the mortgage debt by his purchase from the holders of the notes in Virginia; and, if the decision proceeded upon the ground that the petitioner and his wife had released the mortgage debt, then the proofs tending to show that there was no such intention, that there was no consideration for such a release, and that the execution of the instrument claimed to have such an effect was under a total mistake, which a Court of Equity ought to correct, all show the importance of having the matter before the Court by regular suit, invoking the power of the Court to reform the instrument, or otherwise relieve the parties from the technical legal effect of it, as, also, to present the other facts with all proper parties, so that the decree may be effective and be reviewable in appropriate form.

For the present, the duty of the Court is to dismiss the appeal.

John Prout, for the petitioner.

John W. Stewart and *E. J. Ormsbee*, for the assignee.

CHARLES B. HOTCHKISS

vs.

THE TRADESMEN'S NATIONAL BANK, THE NATIONAL SHOE AND
LEATHER BANK OF THE CITY OF NEW YORK, AND THE
MILWAUKEE AND ST. PAUL RAILWAY COMPANY. IN EQUITY.

The mortgage bond of a railroad corporation, bearing a number, and payable to bearer, with coupons attached, payable to bearer, contained, on its face, a statement, that the corporation agreed "to make the scrip preferred stock attached to this bond full paid stock," at specified times, upon surrender to the corporation, of the bond and the unmatured coupons, and that it was issued in conformity with the articles of association of the corporation. H., the owner and possessor of such bond, was also the possessor of a certificate for ten shares of the scrip preferred stock of the corporation, certifying that he was entitled to such shares, and declaring, that, on the surrender of such certificate, and of such mortgage bond, designated by its number, and of all unmatured coupons thereon, at specified times, he would be entitled to ten shares of full paid preferred stock. The bond and the certificate of stock, attached together by a pin, were stolen from H. The bond, unaccompanied by the certificate, went into the hands of T., who, in good faith, and without any other notice than was imported by the bond, advanced money on the bond: *Held*,

- (1.) That T. had notice of whatever was contained in the articles of association, in respect to the bond.
- (2.) That neither the articles, nor the bond, nor the certificate, required the bond to be registered, or to be transferable solely on the books of the corporation, or that the debt evidenced by the bond and the coupons should be transferable otherwise than by delivery.
- (3.) That H. could part with the bond by delivery, without transferring the scrip stock.
- (4.) That the promise, on the bond, to pay money, was a separate obligation from the agreement in regard to converting the scrip stock into full paid stock.
- (5.) That T. was entitled, as against H., to retain the bond, as having taken, before maturity, for a valuable consideration, in the usual course of business, without notice of any defect of title, a coupon bond, payable to bearer.

(Before BLATCHFORD, J., Southern District of New York, January 22d, 1873.)

BLATCHFORD, J. On the 30th of November, 1868, the

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plaintiff, at Bridgeport, Connecticut, was the owner and in possession of three bonds, for \$1,000 each, issued by the Milwaukee and St. Paul Railway Company, and numbered respectively 1,947, 2,070 and 2,425. There were then annexed to each of the bonds 48 coupons or interest warrants, each for \$35, and payable each successive six months from and including the 1st day of January, 1869, to and including the 1st day of July, 1892. The bond and its coupons were all of them printed on the face of one and the same sheet of paper, and none of such 48 coupons had then been cut off. Bond No. 1,947 read thus: "Know all men by these presents, that the Milwaukee and St. Paul Railway Company are indebted to Isaac Seymour, Horace Galpen, William Gould, Fred. P. James, D. M. Hughes, George Smith and Francis Vose, citizens of the State of New York, or bearer, in the sum of one thousand dollars, for the purchase money of their entire corporate property, which sum said company promise to pay to the bearer hereof on the first day of January, A. D. 1893, at the office or agency of the company in the city of New York, with interest thereon from the first day of July, A. D. 1863, at the rate of seven *per centum per annum*, payable semi-annually, at its office or agency in the city of New York, on the first day of January and July in each year, on the presentation and surrender of the annexed coupons, as they severally become due, and, in case of non-payment of interest for six months, then, without demand or notice, the principal of this bond shall become due and payable. The said company also agree to make the scrip preferred stock attached to this bond full paid stock at any time within ten days after any dividend shall have been declared and become payable on said preferred stock, upon surrender to the company, in the city of New York, of this bond and the unmatured interest warrants. This bond is one of a series of bonds, amounting to \$2,200,000, and, if the company acquire the road known as the Eastern division of the La Crosse and Milwaukee Railroad, then this issue of bonds may be increased \$2,000,000, and, if the company acquire the Milwaukee and Western Railroad, and ex-

tend it from Columbus to Portage, then this issue may be increased \$2,000,000, and, if the company acquire the Milwaukee and Horicon Railroad, this issue of bonds may be increased \$400,000. All of which bonds are executed and delivered in conformity with the laws of Wisconsin, the articles of association of the company, the vote of the stockholders, and resolution of the Board of Directors. And the bearer hereof is entitled to the security derived from a mortgage or deed of trust duly executed and delivered by said company to Isaac Seymour and N. A. Cowdrey, trustees, conveying the entire property of this company, real and personal, and all its rights, franchises and annuities, dated May 6th, A. D. 1863, and, also, to the benefits to be derived from a sinking fund established by and in said mortgage or deed of trust, of all such sums of money as are received from the sales of lands donated or granted to this company by the United States or by the State of Wisconsin. This bond shall not be valid until it shall have been authenticated by a certificate endorsed hereon, and duly signed by both of said trustees, or their or his successor or successors, and is issued, received and held subject to the terms and conditions contained in said mortgage. In witness whereof, the said company have caused their corporate seal to be hereto affixed, and their president and secretary to sign the same, this sixth day of May, A. D. 1863." On the face of the bond were the number of the bond, in two places, and, also, the words: "Sixty coupons attached. Last six months interest, \$35, payable with bond." Each coupon was in this form: "The Milwaukee and St. Paul Railway Company promise to pay to the bearer, thirty-five dollars, on the first day of 18 , in the city of New York, for interest due on bond No. 1,947. Coupon No. . H. E. Glasford, Agent." The blanks in the coupons were properly filled.

The face of the bond being uppermost, if the bond was folded over from right to left, by a fold in the middle of its width, and running from top to bottom, so as to bring one-half of the back of the bond uppermost, that half was found

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to be divided, by two up and down lines, into three columns, each with a printed heading, the first column being headed, "date of transfer," with the figures "186 " a short distance below, to the left, the second column being headed, "to whom transferred," and the third column being headed, "attest by transfer agent;" and, in each column, were fourteen horizontal lines. There were no entries in any of these columns when the bond left the possession of the plaintiff, as hereafter mentioned.

On the other half of the back of the bond were these words: "\$1,000 Bond, No. 1,947. First Mortgage, Milwaukee & St. Paul Railway Company. 7 per cent. convertible. Interest, January & July. Due, 1893. This is to certify that this bond is included in a first mortgage of the entire corporate property, real and personal, rights, franchises, and immunities, of the Milwaukee and St. Paul Railway Company, in trust to the undersigned, to secure, the payment of \$2,200,000; and, if the company acquire the road known as the Eastern division of the La Crosse and Milwaukee Railroad, then it may be to secure the payment of \$2,000,000 additional, and, if the company acquire the road known as the Milwaukee and Western Railroad, then it may be to secure the payment of \$2,000,000 additional, and, if the company acquire the road known as the Milwaukee and Horicon Railroad, then it may be to secure the payment of \$400,000 additional. I. Seymour, N. A. Cowdrey, Trustees."

Bonds Nos. 2,070 and 2,425, when they left the possession of the plaintiff, as hereafter mentioned, read in the same way, and were, in all respects, in the same condition, as to themselves, and the contents of their backs, and their coupons, with the proper changes of numbers, as bond No. 1,947, except that bond No. 2,425 contained the words "indebted to Isaac Seymour and N. A. Cowdrey," instead of the words "indebted to Isaac Seymour, Horace Galpen, William Gould, Fred. P. James, D. M. Hughes, George Smith, and Francis Vose."

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The "articles of association of the company," referred to in the bonds, declare, in their third article, that the capital stock shall be divided into "preferred stock" and "common stock," and that a part of the "preferred stock" shall be known as "scrip preferred stock." On the scrip preferred stock one dollar per share is declared and acknowledged to have been paid. On the rest of the preferred stock, and on the common stock, one hundred dollars per share are declared and acknowledged to have been paid. The preferred stock is fixed at not exceeding \$3,450,000, or 34,500 shares. The articles say: "Of the said \$3,450,000 preferred stock, an amount not exceeding \$2,200,000 at par, or 22,000 shares, shall be set apart and designated as "scrip preferred stock." The scrip preferred stock here named, or hereafter named, shall not at any time exceed the amount of outstanding mortgage bonds hereinafter named. The scrip preferred stock shall not be subject to any assessment, and shall entitle the person in whose name it stands upon our books to all the rights and privileges of other stockholders, except that it shall not entitle the holder to any dividend, or other profit or increase, from the income or assets of this company. It shall be issued in certificates of five and ten shares each, and shall accompany each mortgage bond of the company. The holder thereof shall have the right, at any time within ten days after any dividend shall have been declared and become payable on the preferred stock, to make the scrip preferred stock attached to this bond full paid stock, upon the surrender to the company of the mortgage bond named by its number in his scrip certificate, and, upon surrendering said scrip certificate and bond, he shall be entitled to receive therefor the same number of shares of preferred full paid stock, and entitled to dividends. The said preferred stock, except said scrip stock, shall be entitled to a dividend of seven *per centum per annum*, from the net earnings of each current year, after payment of interest on all the mortgage bonds, if the company earn so much during the current year, and before the payment of dividends to any other class of stockholders; but the company may re-

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serve a reasonable working capital or surplus before the dividend shall be declared or paid on said preferred stock, which surplus shall not exceed at any time the aggregate sum of \$250,000, over and above the floating or unfunded debt, and the accrued interest on the mortgage bonds. If the net earnings of the company are not as much as seven *per cent.* in any one year, then the said preferred stock shall receive, for that year, a dividend of whatever the said net earnings are, after the payment of interest on the mortgage bonds, and the reasonable reserve for a working capital, as above described. Said preferred stock shall not have any claim upon the earnings of any other year, for the non-payment of dividends of any preceding year. And, whenever the company earns sufficient, over and above the payment of interest on the bonds, and the reserve above named, to pay a greater sum than seven *per cent.* on outstanding preferred stock, and seven *per cent.* on the common stock, then the said preferred stock shall share *pro rata* with the common stock, in such earnings." The sixth article provides as follows: "The corporation shall have power to issue bonds in sums of \$500 and \$1,000, to an amount not exceeding two millions two hundred thousand dollars. * * * All of said bonds shall bear an interest not exceeding seven *per centum per annum*, the principal and interest payable in the city of New York, the interest semi-annually, the principal within thirty years from date. They shall also contain a provision, that, if the company make default in the payment of interest, or in the application of the sinking fund, as hereinafter provided, for six months, the principal shall thereupon become due without demand or notice. The said corporation shall have power to secure the payment of all the bonds above authorized to be issued, by a mortgage or trust deed upon this franchise, and all the real and personal property of the company, now owned or hereafter to be acquired by them, and to embrace the entire corporate property, and all its franchises and privileges. The mortgage shall also contain a provision for a sinking fund for the payment of said mortgage bonds, by which the new

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company shall obligate themselves to pay to the trustees of said mortgage bonds, all such sums of money, less the expenses of sales, as shall be derived from the sale of any lands which may have been, or shall hereafter be, donated or granted by either the United States or the State of Wisconsin, to aid in building this road, or that shall in any manner be acquired by this company. And said lands shall be fairly and equitably valued and classified by the company, or by such persons as they together shall appoint; and, upon sale of said lands, said mortgage bonds may be received at par and accrued interest, in payment therefor, and the bonds thus received in payment shall be immediately cancelled. The company shall keep a proper registry or account of all the bonds thus paid by them, and the number or amount of bonds thus cancelled shall be reported by said company to the stockholders at each annual meeting, and said bonds shall be presented and shown at said meeting. And said trust deed shall contain all other reasonable and proper provisions for making said lands the most productive and available to the company, as a sinking fund for the payment of said bonds. The bonds secured by said mortgage shall be convertible, at the option of the holder, into the preferred stock, at any time within ten days after any dividend shall have been declared and become payable on said preferred stock. The said mortgage deed and bonds shall be signed by the president or vice-president and secretary, and the seal of the company shall be affixed thereto. * * * The said mortgage or trust deed may also contain covenants and agreements authorizing the bondholders to vote in all stockholders' meetings, as follows—each one hundred dollars of the principal of the outstanding bonds shall be entitled to one vote—and giving the bondholders the same *pro rata* voice in the management of the company with, and as if they were, stockholders to the amount of their bonds." The seventh article provides as follows: "The preferred stockholders shall elect the directors until a dividend shall have been earned, declared, and paid on the common stock, and, until then, the common stockholders shall have

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no vote or voice in the election of directors." The tenth article provides as follows: "Upon the dissolution of this corporation, after the payment of its debts, the remaining assets shall be divided among the different classes of stockholders according to their preferences, that is to say, the preferred stock, except the scrip stock, shall be first paid in full, and the balance divided among the common stockholders, *pro rata*."

Up to the time the said three bonds left the possession of the plaintiff, he owned and had in his possession three certificates issued by said company to him, each for ten shares of the scrip preferred stock before mentioned, which certificates were numbered, severally, 7667, 7668 and 7669, and were all of them issued September 17th, 1864. Certificate No. 7668 read as follows, on its face: "Certificate for scrip preferred stock, issued Sept. 17th, 1864. No. 7668, ten shares. This is to certify, that Charles B. Hotchkiss, of New Haven, Conn., is entitled to ten shares of the capital stock of the Milwaukee and St. Paul Railway Company, designated as 'scrip preferred stock' in the articles of association of the company. This stock is not entitled to any dividend. It has one dollar per share paid thereon, and is not liable or subject to any assessment. Upon the surrender of this certificate, and mortgage bond No. 1947 of the company, and all unmatured coupons thereon, at any time within ten days after any dividend shall have been declared and become payable on the full stock of the preferred stock of the company, the said Hotchkiss is entitled to receive ten shares of said full paid preferred stock. This stock is transferable only on the books of the company, at their office in the city of New York, in person, or by attorney, on the surrender of this certificate. This certificate and the stock represented hereby is issued and received subject to all the terms, conditions and limitations of this company, and is not valid until countersigned by the transfer agent of the company, and by the registrar of transfers. In witness whereof, the company have caused this certificate to be signed by the president." The certificate was signed, on its face, by the

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president and the transfer agent, and countersigned by the registrar of transfers, and had printed on its back a blank power of attorney, in this form, the blanks not being filled :
"Know all men by these presents that for value received, have bargained, sold, assigned and transferred and by these presents do bargain, sell, assign and transfer unto shares of the scrip stock of the Milwaukee and St. Paul Railway Company, standing in name on the books of the said company, and hereby constitute and appoint true and lawful attorney, irrevocably, for and in name and stead, but to use, to sell, assign, transfer and set over, all or any part of the said scrip stock, and, for that purpose, to make and execute all necessary acts of assignment and transfer, hereby ratifying and confirming all that said attorney shall lawfully do by virtue hereof. In witness whereof, have hereunto set hand this day of one thousand eight hundred and sixty . Sealed and delivered in presence of

" Certificate No. 7667 was, in all respects, like certificate No. 7668, except that it contained the figures "7667," instead of "7668," and "2070," instead of "1947." Certificate No. 7669 was, in all respects, like certificate No. 7668, except that it contained the figures "7669," instead of "7668," and "2425," instead of "1947." The three bonds, and the three certificates, when they left the possession of the plaintiff, were not, any one of them, attached to any other one or more of the rest of them, in any other manner than by pins.

The company, on the 2d of November, 1863, issued to Russell Sage bond No. 1947, and, at the same time, issued to him certificate No. 1947, for ten shares of scrip preferred stock, which certificate was like, in form, to certificate No. 7668, except that it contained the words, "Novr. 2d, 1863," instead of "Sept. 17th, 1864," and the figures "1947," instead of "7668." Sage, by a written transfer on the books of the company, dated December 23d, 1863, transferred to F. P. James & Co., "subject to all the terms, conditions and limitations of the articles of association of the company," ten

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shares of scrip preferred stock, (but not bond No. 1947,) and surrendered to the company the said certificate No. 1947, and it issued to F. P. James & Co. certificate No. 7086, which certificate was like, in form, to certificate No. 7668, except that it contained the words, "Decr. 23d, 1863," instead of "Sept. 17th, 1864," and the figures "7086," instead of "7668." The company, on the 2d of January, 1864, issued to F. P. James & Co. bond No. 2070, and, at the same time, issued to them certificate No. 2070, for ten shares of scrip preferred stock, which certificate was like, in form, to certificate No. 7668, except that it contained the words, "Jan. 2d, 1864," instead of "Septr. 17th, 1864," and the figures "2070," instead of "7668," as the number of the certificate, and the figures "2070," instead of "1947," as the number of the bond. F. P. James & Co., by a written transfer on the books of the company, dated September 17th, 1864, transferred to the plaintiff, "subject to all the terms, conditions and limitations of the articles of association of the company," twenty shares of scrip preferred stock, and, also, bonds Nos. 1947 and 2070, and surrendered to the company the said certificates Nos. 2070 and 7086, and it issued to the plaintiff the said certificates Nos. 7667 and 7668. The company, on the 7th of July, 1863, issued to Alfred Noxon bond No. 2425, and, at the same time, issued to him certificate No. 2425, for ten shares of scrip preferred stock, which certificate was like, in form, to certificate No. 7668, except that it contained the words, "July 7th, 1863," instead of "Septr. 17th, 1864," and the figures "2425," instead of "7668," as the number of the certificate, and the figures "2425," instead of "1947," as the number of the bond. Noxon, by a written transfer on the books of the company, dated September 17th, 1864, transferred to the plaintiff, "subject to all the terms, conditions and limitations of the articles of association of the company," ten shares of scrip preferred stock, and, also, bond No. 2425, and surrendered to the company the said certificate No. 2425, and it issued to the plaintiff the said certificate No. 7669. The plaintiff never transferred, on the books of the company, any

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of the shares of scrip stock represented by certificates Nos. 7667, 7668 and 7669, and those certificates are now outstanding and have not been surrendered to the company. The plaintiff never signed any of the transfers on the backs of said certificates. The three bonds and the three certificates issued to the plaintiff were stolen from his possession, by robbery, on the 30th of November, 1868.

On the 20th of February, 1869, the National Shoe and Leather Bank, one of the defendants, received from a firm called Waterhouse, Midgley & Co., the said bond No. 1947, and loaned to that firm, on its note, with the said bond as collateral security, the sum of \$800, the bonds being then quoted in the market as worth 92 *per cent*. Such note was renewed several times, and the bank now holds, in renewal, a note of said firm, dated October 5th, 1869, at two months, for \$800, with the said bond No. 1947 as collateral security, which bond now has on it three less coupons than it had when it left the possession of the plaintiff, the coupons due January 1st, 1869, July 1st, 1869, and January 1st, 1870, being now gone, and there being now on it 45 coupons, beginning with the one due July 1st, 1870, which is No. 16. But, coupon No. 15, due January 1st, 1870, is in the possession of the bank, cut off from the bond. When the bank received the bond, it had on it only 47 coupons, beginning with the one due July 1st, 1869, No. 14, which one it afterwards allowed the said firm to have.

On the 22d of January, 1869, the Tradesmen's National Bank, one of the defendants, received from one B. Starr Midgley one of the said two bonds, Nos. 2070 and 2425, and loaned to him on his note, with the said bond as collateral security, the sum of \$800. On the 29th January, 1869, the last-named bank received from Midgley the other one of the said two bonds, Nos. 2070 and 2425, and loaned to him \$800 more, giving up to him his note for \$800, and taking from him his note for \$1,600, and thereafter holding the two bonds as collateral security for the last-named note. Such note was renewed several times, and the bank loaned to Midgley \$150

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more on the bonds, and now holds a note of his, dated February 4th, 1870, on demand, for \$1,791 75, with interest, with the said two bonds, Nos. 2070 and 2425, as collateral security, each of which two bonds has now on it two less coupons than it had when it left the possession of the plaintiff, the coupons due January 1st, 1869, and July 1st, 1869, being now gone, and there being now on each of said bonds 46 coupons, beginning with the one due January 1st, 1870, which is No. 15. But, coupon No. 14, due July 1st, 1869, from each of the two bonds, is in the possession of the bank, such coupons having been cut off by it, and presented for payment to the company, which was refused. When the bank received the two bonds, each had on it only 47 coupons, beginning with No. 14.

When the bonds were received by the banks respectively, no certificates of scrip preferred stock, or other papers, accompanied them.

The bill in this case, which was filed in April, 1870, claims, that the bond and the certificate of scrip stock constituted but one instrument; that the several parts thereof are not capable of separation and division, in such way that the title to one part thereof can be transferred to one person, and the title to some other part thereof to another person; that the owner or holder of the certificate cannot get the benefit thereof without possession of the remaining part of the obligation; that the holder of the remaining part of the obligation cannot get, and is not entitled to, a performance of the same, as against the company, without possession of the certificate; and that, on the face of the obligation, reference is expressly made, in the several parts thereof, to other parts of the same obligation, so that the holder of one portion thereof is chargeable with notice of the rights of the holder of the other portion thereof. The bill prays for a decree, declaring that the plaintiff is, as against the banks, the true and lawful owner of the said contracts and obligations, and of every part thereof, and directing that the banks respectively deliver up to him such parts of the said obligations as they have, and

respectively account to him for all moneys which they have collected thereon, and that the company be enjoined from making any payment, on account of said obligations, to any other person than the plaintiff, and that it issue to the plaintiff new certificates in the place of those so stolen from him, and admit him to all the rights contracted for by it in the said obligations, notwithstanding any claim on the part of the banks.

The bill was taken *pro confesso* as against the company, it having voluntarily appeared in the suit.

It is contended, for the plaintiff, that it is apparent, by the bonds, that it was not intended that possession alone of them should be proof of ownership; that they are not, by their terms, performable in favor of the holders of them; that they are not transferable by delivery; that there is, in respect to each bond, a single contract, evidenced by the bond and by the scrip certificate, the two being a unit; that there is not an agreement to pay money to one person, and an agreement to permit another person to take preferred stock by conversion; that no person can hold any part of the contract, as against the company, who is not, at the same time, a transferee of the scrip stock as well as a holder of the bond; that, as the scrip stock, and its certificate, could not be transferred merely by delivery, the bond could not be transferred separately by delivery; and that the banks, by what appears on the bonds, and by the articles of association, to which the bonds refer, must be held to have had notice that no person could own the bond who did not produce a certificate for scrip preferred stock, as the badge of his ownership, not only of the stock, but of the bond.

For the banks, it is contended, that the bond and the certificate of scrip stock do not constitute only a single instrument; that, by the articles of association, the bond is made one contract, and the certificate is made another contract; that the bond is transferable by delivery, while the stock is transferable only on the books of the company; that the plaintiff, if he had retained the bond, and were to keep it till it

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matured, could collect all the coupons and also the principal, without producing or surrendering any certificate of stock; that the ownership of the stock, and the possession of the certificate thereof, is only necessary to the exercise of the privilege of conversion; and that the banks are entitled to be recognized as the parties to whom the principal and interest of the bonds are payable, although they claim no privilege of converting the bonds into preferred stock.

The statement, on the face of the bond, that it is executed and delivered in conformity with the articles of association of the company, is notice to the party taking the bond, of whatever those articles contain, in respect to the bond. By the sixth article, the bond is to be convertible, at the option of its holder, into preferred stock, at any time within ten days after any dividend shall have been declared and become payable on the preferred stock. The endorsement on the bond speaks of the bond as a convertible bond. The face of the bond makes the bond convertible, only by the declaration, that the company agrees to make the scrip preferred stock attached to the bond full paid stock at any time within ten days after any dividend shall have been declared and become payable on the preferred stock, on the surrender to the company of the bond and the undue coupons. In the articles of association, the third article provides, that the scrip preferred stock shall be issued in certificates of five and ten shares each, (each share being \$100, if full paid,) and shall accompany each mortgage bond, (the bonds being \$500 and \$1,000 each,) and that the holder of the bond shall have the right, at any time within ten days after any dividend shall have been declared and become payable on the preferred stock, to make the scrip preferred stock attached to the bond full paid stock, on the surrender to the company of the bond named by its number in his scrip certificate, and that, on surrendering such scrip certificate and bond, he shall be entitled to receive therefor the same number of shares of full paid preferred stock. The bond says nothing about converting the bond, other than what is to be implied from what it does say, and from the en-

dorsement, nor does it say anything about surrendering the scrip stock or the certificate. The bond, in speaking of the scrip preferred stock attached to it, refers, necessarily, to the certificate of scrip preferred stock mentioned in the articles of association. That certificate provides that, on the surrender of itself, and of the bond designated by number in it, and of the undue coupons on such bond, the person to whom the certificate is issued shall be entitled to the like number of shares of full paid preferred stock, and that the scrip stock is transferable only on the books of the company, "in person or by attorney," on the surrender of the scrip certificate. The scrip certificate spoken of in the bond as attached to the bond, must be regarded as present to the view and knowledge of any party taking the bond.

Construing the bond and the certificate and the articles of association together, it is apparent, that the company intended to issue its bonds, and secure them by mortgage, and also to allow such bonds to be convertible into full paid preferred stock, at the rate of one share of stock for each \$100 of the principal of the bonds. Why not, then, have adopted the simple plan, of declaring that the bond should be convertible into such stock, at the time designated, on the surrender of the bond? Manifestly, because it was desired that the holder of the bond, in addition to being such, and thus being a secured creditor, and in addition to being allowed to have the option of converting his bond into full paid preferred stock, should also, before exercising such option, be allowed certain rights of a stockholder. But, the bond being made payable to bearer, with coupons also payable to bearer, and thus transferable and negotiable by delivery, it would be impossible for the company to know what persons were to exercise these rights of a stockholder, unless it kept a record of such persons. It undoubtedly found that it would be impracticable to adopt the suggestion made in the sixth article of the articles of association, that the bondholders might be authorized to vote in all stockholders' meetings, each \$100 of the principal of outstanding bonds to have one vote, and to have the

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same *pro rata* voice in the management of the company as if they were stockholders to the amount of their bonds. It found that all who were to exercise any of the rights of stockholders must be stockholders. It, therefore, devised the scheme of scrip preferred stock, and the person in whose name such stock should stand on its books was to be entitled to all the rights and privileges of other stockholders, except that he should not be entitled to any dividend, or other profit or increase, from the income or assets of the company. One of those rights and privileges, and, probably, a valuable one, was, that holders of scrip preferred stock, equally with the holders of full paid preferred stock, were entitled to vote in the election of directors of the company; and this, too, to the exclusion of the holders of the common stock, until a dividend should have been earned, declared and paid on the common stock. For these purposes, the company adopted the plan of the scrip preferred stock, transferable only on its books.

The registered owner of the scrip preferred stock could have these rights of a stockholder. If, in addition, he should continue to hold the bond designated in his certificate, he could, by surrendering such bond, convert it, and, at the same time, convert his scrip preferred stock, into full paid preferred stock. But, the company did not require that the bonds should be registered, or that they should be transferable solely on the books of the company, or that the debt evidenced by the bond and the coupons should be transferable otherwise than by the delivery of the same. There is nothing to that effect in the articles of association, or in the bond, or in the certificate of scrip preferred stock. The third article says, that the certificate is to accompany the bond, implying, that the bond, as an obligation for the payment of money, is a complete instrument without the certificate; and that the holder of the bond shall have the right to make full paid stock out of the scrip stock attached to, or accompanying, the bond, on surrendering the bond and the scrip certificate, implying, that to hold the bond as an obligation for the payment of money is one thing, and to obtain full paid stock, by

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surrendering the bond and the scrip certificate, is another thing. Most unquestionably, the holder of the bond could, at all times, collect his coupons without producing his certificate of scrip stock. So, at maturity, he could demand payment of the principal, without producing such certificate. The certificate is required to be produced only when it is to be surrendered on a transfer of stock, or when it is to be surrendered on a conversion. There is nothing which requires the bonds to be transferred on the books of the company. It is true, that the two transfers to the plaintiff transferred to him the three bonds in question, as well as the thirty shares of scrip preferred stock. But, bond No. 1,947, issued to Sage, was not transferred by Sage to James & Co. on the books of the company, although James & Co. transferred it to the plaintiff on such books. Whatever it may have been intended should have been inserted in the blanks under the headings in respect to transfers on the back of the bond, nothing was inserted therein in any of the bonds in question, nor does it appear that anything was ever inserted therein in any bond that was issued, or that any bond was ever required to be produced to the company when scrip preferred stock was transferred, or that any regulation was ever prescribed respecting the transferring of bonds otherwise than by delivery.

It is, undoubtedly, true, that the registered owner of the scrip stock cannot exercise an option of converting his scrip stock into full paid stock, without producing and surrendering his bond, although he might vote for directors without producing his bond. But, there is nothing to prevent his parting with his position as a mere mortgage creditor, by passing the title to the debt by delivery, by manual tradition of the bond, without transferring the scrip stock. The new holder of the debt will not acquire the right to vote as a stockholder, or any other right of a stockholder, or the right to convert the scrip stock into full paid stock. But, he will be a creditor, entitled to payment of the coupons and of the principal, and to the security of the mortgage. In the bond, the acknowledgment of indebtedness to the persons named, "or

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bearer," in the sum named, with the promise to pay that sum, and the interest named, on the presentation and surrender of the coupons annexed, is a distinct and separate obligation from anything else in the bond. The agreement in regard to making full paid stock out of the scrip stock attached to, or accompanying, or issued with, the bond, is an additional and supplementary agreement. The articles of association, while they speak of paying interest on the bonds, do not require that the principal of the bonds shall be made payable to bearer, and make no reference to coupons or interest warrants. The bonds might, therefore, have been made registered bonds, and the interest might have been made payable otherwise than by coupons, and otherwise than to the bearers of the coupons. The adoption of the plan of making the principal of the bonds payable to bearer, and of paying the interest by means of coupons payable to bearer, was a deliberate act of choice on the part of the company. It might have made the principal and interest payable only to the person in whose name the scrip preferred stock stood, instead of making them payable to bearer.

From these considerations, it follows, that, if the scrip certificates and the articles of association had been before the officers of the banks who took these bonds, when they took them, no information would thereby have been conveyed to them, that the bonds were not transferable by delivery. There was nothing to prevent the plaintiff himself from parting with the bonds, and thus parting with the right to convert the scrip stock into full paid stock, because he would be unable thereafter to surrender the bonds, while still retaining all other rights incident to the ownership of the scrip stock. It appears, that such right of conversion had, in some cases, been exercised, but, manifestly, the desire to exercise it would be dependent upon the fact whether the full paid preferred stock was worth more in the market than the bonds with the convertible privilege. It might very well be that the plaintiff himself, or any other person who had been the holder of the bonds offered to the banks, had elected to part with the bonds

for what they were worth, unaccompanied by the scrip stock. There was nothing in the bonds, or the scrip certificates, or the articles of association, regarded as before the officers of the banks, to indicate to them the contrary of this, or to make it possible to impute to them that *mala fides* which it is necessary should exist in the case of coupon bonds, payable to bearer, like these, taken before maturity, for a valuable consideration, in the usual course of business, without notice of any defect of title, in order to impeach the title to them in the hands of the person so taking them. The plaintiff has suffered the bonds to pass into the hands of *bona fide* holders of them, and fails to impeach their title. In his bill, he alleges bad faith; but none is shown. The principles applicable to the facts of this case are too well settled by authoritative decisions, State and Federal, to make it necessary to refer to such decisions, or to the considerations of public policy on which they are founded.

The relief prayed for as to the banks cannot be granted, and the bill must be dismissed, as to them, with costs. As to the railway company, in so far as the bill asks for a decree that the company issue to the plaintiff new certificates of scrip preferred stock, in place of those stolen from him, and admit him to all the rights and privileges which such certificates contract for, the plaintiff is entitled to such relief. He can make such certificates fully available for the purposes of conversion, by purchasing the bonds designated in them.

Francis N. Bangs, for the plaintiff.

Henry N. Beach, for the Shoe and Leather Bank.

Smith & Woodward, for the Tradesmen's Bank.

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THE EICKEMEYER HAT-BLOCKING MACHINE COMPANY

vs.

HOSEA O. PEARCE AND OTHERS. IN EQUITY.

The second claim of the reissued letters patent granted to the Eickemeyer Hat-Blocking Machine Company, as assignees of Rudolph Eickemeyer, December 1st, 1868, for an "improvement in machines for stretching hat bodies," the original patent having been granted to said Eickemeyer, as inventor, February 28th, 1865, namely, "The combination and arrangement of the crown- and tip-supporting ribs with the upper series of stretching devices, substantially as described, operating to stretch the tip and side-crown of the hat body between them, substantially in the manner hereinbefore set forth," and the third claim of said reissued letters patent, namely, "The combination and arrangement of the brim-supporting ribs with the lower series of stretching devices, substantially as described, operating to stretch the brim of the hat-body between them, substantially in the manner set forth," are valid.

The question of the infringement of such claims, considered.

The defendants' apparatus was held to infringe, because it embodied the essential features of said claims, although it contained, in addition, some features of construction and operation not found in the plaintiffs' patent, and improving the machine.

Former devices held not to anticipate said claims, because not combined in an organized machine.

Said claims do not cover such devices, when not combined and arranged in an organized machine.

(Before BLATCHFORD, J., Southern District of New York, January 31st, 1873.)

BLATCHFORD, J. This suit is brought on reissued letters patent granted to the plaintiffs, as assignees of Rudolph Eickemeyer, December 1st, 1868, for an "improvement in machines for stretching hat-bodies," the original letters patent having been granted to said Eickemeyer, February 28th, 1865. The specification, which is signed by Eickemeyer, says: "In the manufacture of felt hats, the bodies, having been formed of a conical shape, and subjected to the process of felting, termed by hatters "sizing," retain their conical form, and require to

be stretched in the tip and crown, and also at the brim, to enable the hats to receive and maintain the form subsequently given to them by the operation of blocking. The hat-body being of a conical form, rounded at the tip, is nevertheless made with reference to the hat to be produced, and the different parts of it which are afterwards to be developed into the "tip," "square," "side-crown," "band," and "brim," of the finished hat, are distinguished by imaginary lines or zones around the hat-body, and the same names applied to them, the lower part of the sides being termed the "brim," the upper part of the sides the "side-crown," the line of division between the side-crown and brim the "band," the rounded upper part the "tip," and the dividing line between the tip and side-crown the "square." In stretching hat-bodies for blocking, the band is not generally stretched circumferentially, or but slightly stretched, the stretching being required in the crown and tip, to produce the square or angular corner of the cylindrical or bell-crowned hat, and at the brim, in order that the latter may lie flat, or at right angles, or nearly so, to the side-crown, when blocked; and it is necessary that the body shall be stretched more, in those parts which require stretching, than would be sufficient to conform it to the shape of the hat-block, because, if not over-stretched before blocking, the hat will shrink, when, in wear, it is exposed to moisture, and tend to resume its conical shape, but, if over-stretched, and suffered to shrink to the block, will retain its figure afterwards, under ordinary wear and exposure. In stretching a hat-body for square-crowned hats, the upper part of the hat-body is circumferentially stretched, most at the square, or angle of intersection between the side-crown and tip, beginning to stretch gradually from the centre of the tip and from the band, and increasing towards the square. The lower part of the body is stretched circumferentially, most at the edge of the brim, beginning to stretch gradually from the band. This stretching operation has hitherto been commonly performed by hand, notwithstanding the attempts that have been made to use expanding blocks, or expanding devices, inside of the bodies, for

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stretching the tips or crowns. Hat-bodies are generally made of unequal thickness from tip to brim, but of equal thickness, as near as may be, in the direction of the circumference, and the operation of stretching, sometimes called "wet-blocking," by hand, requires great skill and care to stretch the parts requiring to be stretched, and preserve the requisite circumferential equality of thickness of the body, without overstraining or tearing the hat. The object of my invention is to perform this operation of stretching hat-bodies by machinery, and to this end I have invented the new and improved machine hereinafter described, whereby both tip and brim, or either, may be properly stretched by the operation of the machine. My said invention of a new and improved machine for stretching hat-bodies consists generally of a radially ribbed or skeleton former, whereon the hat-body is placed to be stretched, and the ribs of which act as internal supporting and stretching surfaces, and a series of external stretching devices, which act upon the outside portions of the hat-body that are to be stretched, in opposition to the internal action of the ribs of the skeleton former, and between the lines of support of the same, the internal and external supporting and stretching devices being so combined and arranged, with relation to each other, and to the work to be done, that, when they are brought together with force, they operate to stretch the hat-body embraced between them, in the required places to develop the desired shape of the hat; and, for the purpose of holding the hat-body in place upon the former, so that the proper portions will be stretched, a clamping ring is also combined with the machine. I have also made the exterior pressing or stretching devices radially adjustable in position relatively to the axis of the ribbed skeleton former, to accommodate the variations of form required, and, in order to vary the degree of stretching of either the tip or brim at pleasure, I have made the external pressing or stretching devices independent of each other, and independently adjustable. It will be observed, upon inspection of the machine as illustrated in the drawings, that, although the general principle

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and mode of operation of the parts of the machine which act to stretch the tip are the same as in those parts that act to stretch the brim, the adaptation and arrangement of the parts for the two operations are different. The ribs which support the tip have curved, or otherwise inclined, surfaces, to conform to the rounded tip of the hat-body, and the ribs themselves are arranged so that the recesses between them extend inwards to the axis, or nearly so, in order to give room for the portions of the tip and side-crown that are pressed in by the external stretching devices, and the external stretching devices converge closely together, to act upon the upper surface of the tip to be stretched. The ribs which support the brim have straight surfaces radiating from a circle or cylinder of the diameter of the band, and the recesses do not necessarily extend inside of that circle or cylinder, which may be the hub or support of the ribs of the former. The ribs are more in number than the ribs which support the tip, because of the greater surface of the brim to be stretched by them, and the external stretching or pressing devices are not converged together so closely as those which act upon the tip; and it will also be observed, that the construction and arrangement, respectively, of the parts for stretching the tip and brim of the hat-body, differ so much, that neither will perform the office of the other, although both will perform their offices at the same time upon the same hat-body. For the purpose of securing circumferential equality of action of the stretching devices upon the portions of the hat-body to be stretched, and for convenience and accuracy of adjustment, and facility of operating the stretching devices in a practical machine, I have mounted the internal stretching devices which constitute the skeleton or ribbed former, concentrically, upon the upper end of a vertical sliding spindle, which is moved up and down in guides, in a frame, by a lever, and have attached the exterior stretching devices to the frame, in positions concentric with the axis of the ribbed former, so that the latter may be lowered, to put on and take off the hat-body, and lifted, when the hat-body is put on, to bring the parts together, so as to

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stretch all the parts operated upon equably in the direction of the circumference of the hat-body. If the exterior and interior devices which act upon the hat-body to stretch it were not guided in this or some equivalent manner, parts of a given zone of the circumference of the body would be apt to stretch more than others, according to their texture, but, by causing the stretching surfaces to act equably, by means of the frame and guides, uniformity in stretching is secured, as far as practicable in such operations." Then follows a description of the construction of the mechanism, with references to three figures of drawings, figure 1 being a vertical central section of the machine; figure 2, a plan of the radially ribbed or skeleton former, and the lower series of stretching rollers; and figure 3, a plan of the arrangement of the upper series of stretching rollers. There is an upright frame, on the top of which is a stationary, horizontal table, having a central circular opening, under and partly within which is situated the skeleton former, made of wood or other suitable material. This former has its vertical profile of conical or other form, corresponding with that of the hat-body before the stretching operation, and a portion of it, at about the middle of its height, is of complete circular form, in its horizontal section, but, above and below this portion, it has a number of vertical recesses, between which is left a corresponding number of equidistant radial ribs, the edges of which ribs form the profile of the former. The former is secured firmly and concentrically upon the upper end of a vertical spindle, which is arranged to slide up and down in guides in the centre of the frame, concentric with the opening in the said horizontal table, and which has applied to it a lever or treadle, by which it can be lifted up, to raise the former. A metal clamping ring, the interior of which is of such size and form as to fit the circular portion of the former, between the upper and lower ribs, is attached, by vertical rods, to and below a head piece of such weight as to be capable of producing the requisite degree of pressure to hold a hat-body upon the former. These rods work up and down by sliding through guides in a stationary

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horizontal plate, which is supported by vertical pillars upon the said horizontal table, and the clamping ring is thereby kept concentric with the former. Such ring is supported, when not supported by the former, by means of a vertical screw, which screws through a tapped hole in the head piece, and the lower end of which, bearing upon said horizontal plate, prevents the ring from descending below a given position. A series of thin, round-edged rollers, corresponding in number with the upper recesses and ribs of the former, is arranged above the horizontal line of the circular portion of the former, radial to the axis of the former and clamping ring, and opposite the centres of said recesses. The axles of these rollers are supported in hangers, which are secured, by screws, to the said horizontal plate, said screws passing through radial slots in said plate, to enable the rollers to be adjusted toward and from the axis of the former. The surfaces of such ribs and rollers are the stretching surfaces for the tip and crown of the hat-body. A series of thin, round-edged rollers, corresponding in number with the lower recesses and ribs of the former, is arranged below the horizontal line of the circular portion of the former, radial to the axis of the former and clamping ring, and opposite the centres of said recesses. The axles of these rollers are supported in hangers, which are secured by screws to the said horizontal table, the said screws passing through radial slots in the said horizontal table, to enable the rollers to be adjusted toward and from the axis of the former. The surfaces of such ribs and rollers are the stretching surfaces for the brim of the hat-body. The clamping ring is so adjusted by the screws which support it, and the two series of rollers are so adjusted by setting the hangers in which they are supported, that, when a hat-body upon the former is in contact with said ring while said screw rests upon the said horizontal plate, the edges of the two series of rollers are a short distance outside of the profile of the former. The operation of stretching a hat-body in the machine is as follows: The former is first allowed to descend to such a position as to permit the hat-body to be put on and drawn tightly over it.

The hat body, wet with hot water or steam, is put on, and the former is raised up by depressing the outer end of the treadle or lever, when the hat-body comes in contact with the clamping ring, the weight of the ring and of the attached head piece causes the ring to hold the hat-body with sufficient firmness against the circular portion of the former, to prevent it from slipping between the ring and the former, and the continued upward movement of the former, produced by a suitable pressure upon the outer end of the lever or treadle, brings the hat-body into contact with the two series of rollers, which are thus made to press upon and stretch the portions of the hat-body which are between the rollers and the corresponding ribs of the former, into the recesses. Such portions are thereby stretched over the ribs. By this means, the hat-body is brought to a suitable shape for blocking and shaping the crown and brim of the hat. The specification states, that fixed round-edged surfaces may be substituted for, and would be the equivalents of, the two series of rollers, but that the inventor prefers to use the rollers, as, by preventing friction upon the hat-body, they prevent it from being torn in the stretching operation. The claims are as follows: "1. In a machine for stretching hat-bodies, a skeleton or ribbed and recessed former, substantially such as is herein described. 2. The combination and arrangement of the crown- and tip-supporting ribs with the upper series of stretching devices, substantially as described, operating to stretch the tip and side-crown of the hat-body between them, substantially in the manner hereinbefore set forth. 3. The combination and arrangement of the brim-supporting ribs with the lower series of stretching devices, substantially as described, operating to stretch the brim of the hat-body between them, substantially in the manner set forth. 4. In combination with the supporting ribs of the skeleton former, the stretching devices, operating, as hereinbefore set forth, to stretch the hat-body between them at one operation, as required for blocking, substantially as described. 5. The clamping ring, in combination with the ribs of the skeleton or ribbed former, operating

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to hold the hat-body thereon during the operation of stretching, substantially as described. 6. The combination, in a machine for stretching hats, of the skeleton or ribbed and recessed former, a clamping ring, and a system of stretching arms or rollers, the whole combined and operating substantially as described. 7. Making the stretching devices for the tip or brim adjustable radially, with relation to each other, so as to vary the degree of stretching of either tip or brim, substantially as described."

The defendants use, for stretching the tip and side-crown of a hat-body, a machine which does not, and cannot, stretch the brim; and, to stretch the brim, they use a separate machine, which does not, and cannot, stretch the tip and side-crown. The defendants' tip and side-crown stretcher has ribs which support the tip and side-crown, and a series of stretching devices, which, instead of being rollers, are fixed rounded-edged surfaces. The ribs and stretching devices operate to stretch the tip and side-crown between them. In the plaintiffs' arrangement, however, the operation is such, that the rollers which act upon the exterior of the hat-body, and wrinkle or corrugate it inwardly between the ribs of the former, and thus increase its diameter, act on different points in the hat-body in succession, in lines extending towards the base of it, the parts which have been acted upon being relieved from the pressure of contact with the rollers, as new parts are brought into such contact. In the defendants' tip and side-crown stretcher, the hat-body is placed on a convex-ribbed former, above which is another ribbed former, the ribs of which, when the hat-body reaches the concave part of the latter former, enter between the ribs of the convex former, and the hat-body is wrinkled by the action, so as to be increased in diameter. As the convex former continues to be lifted, the ribs act on the different parts of the hat-body in succession, but, so far from any part already acted upon being relieved at any time, the stretching of every part the stretching of which has once commenced, continues so long as there is any stretching done to any part.

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The defendants' brim-stretcher has ribs which support the brim, and a series of stretching devices, which, instead of being rollers, are fixed round-edged surfaces. The ribs and stretching devices operate to stretch the brim between them. But, in the defendants' arrangement, there is a convex-ribbed former, on which the hat-body is placed, which is formed like the ribs and stretchers of an umbrella, the hat-body being placed on the former, when the ribs are in their lowest position. Above this is another ribbed former, and, when the brim on the convex former has reached the concave part of the other former, the wrinkling commences, by the action of the ribs of one former between the ribs of the other former, and then a hand-lever throws out or expands the ribs of the convex former, by an operation like that of opening an umbrella, and the stretching is thereby completed, the ribs of the convex former, during the latter operation, bearing, in their whole length, on the brim, in lines extending from the band to the outside of the brim. The action in the first part of the operation is like that in the defendants' tip-stretcher; but, in the latter part of the operation, there is an action not found in such tip-stretcher nor in the plaintiffs' arrangement.

It is shown, by the evidence, that the defendants' arrangements, in their two stretchers, from the fact that the action is on the whole of a given wrinkle at the same time, are better adapted to the stretching of tender hat-bodies, such as those made of fur, as generally made, than is the plaintiffs' arrangement. But, while the defendants' arrangements may contain improvements on the plaintiffs' arrangement, yet they embody what is claimed in the second and third claims of the plaintiffs' patent. The defendants' tip and side-crown, stretcher has ribs supporting the tip and side-crown, and a series of stretching devices, which ribs are substantially the same as those of the patent, and which stretching devices are substantially the upper series of stretching devices in the patent, when made in the shape of fixed round-edged surfaces, as suggested in the patent, and the ribs and stretching devices are combined and arranged substantially as described in the patent.

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They operate to stretch the tip and side-crown between them, substantially in the manner set forth in the patent. So, too, the defendants' brim-stretcher has ribs supporting the brim, and a series of stretching devices, which ribs are substantially the same as those of the patent, and which stretching devices are substantially the lower series of stretching devices in the patent, when made in the shape of fixed round-edged surfaces, as suggested in the patent, and the ribs and stretching devices are combined and arranged substantially as described in the patent. They operate to stretch the brim between them, substantially in the manner set forth in the patent. The defendants' lower formers are radially ribbed. The hat-body to be stretched is placed on them. The ribs of those formers act as internal supporting and stretching surfaces. The defendants have external stretching devices, in series, which act on the outside portions of the hat-body that are to be stretched, in opposition to the internal action of the ribs of the lower formers, and between such ribs, and in the centres of the recesses between such ribs. The mechanical combination and arrangement of the internal and external supporting and stretching devices, in the defendants' machines, with relation to each other, and to the work to be done, are such, that the two sets of devices are brought together accurately, and automatically, so that their parts interlock properly and stretch the interposed materials in the required places, and equality in the action circumferentially of the stretching devices on the parts to be stretched, and facility of operation, are secured. The combination consists in mounting the set of ribs and the set of stretching devices concentrically, with a coincident axis, and moving one set accurately towards the other, by mechanical guides, the stretching devices being opposite the centres of the recesses between the ribs. All these features the defendants' machines have in common with the plaintiffs'. These features are essential features in the plaintiffs' arrangement, and are the features covered, as respects the tip-stretcher, by the second claim of the patent, and, as respects the brim-stretcher, by the third claim of the patent.

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That the defendants have added some features of construction and operation, which are not found in the plaintiffs' patent, whereby the machine may be improved, cannot relieve the defendants from the charge of infringing the second and third claims of the patent, in view of their use of the inventions covered by those claims.

The principal ground of defence urged is, that, before Eickemeyer made his invention, one John Hutchinson, at Matteawan, New York, invented and constructed, and successfully used, in a crude way, instruments for stretching the tips and the brims of hat-bodies, which instruments had the same mode of operation as that of instruments found in the defendants' machines. The date of Eickemeyer's invention was the summer of 1864. The identical instruments which Hutchinson used are produced. They were used by Hutchinson in 1860. They are, and always were, detached parts, and never were organized into a machine working automatically. Hutchinson's parts to stretch the brim of the hat-body are three in number—a convex, conical-shaped former, with ribs; a concave, conical-shaped former, with ribs pivoted like the ribs of an umbrella; and a dome-shaped piece. They are manipulated by handling them. The hat body is placed on the convex former. The concave former is then placed on the top of the hat-body, with its ribs resting on the hat-body. The dome-shaped piece, which is hollow, is then placed over the concave former, and forced down, so as to drive the ribs of the concave former into the recesses between the ribs of the convex former, and carry the brim, in wrinkles, towards the axis of the convex former. In the defendant's brim stretcher, the brim is carried, in wrinkles, away from the axis of the convex former, because the wrinkling is performed by an operation like that of opening an umbrella. In Hutchinson's device, the wrinkling is performed by an operation like that of shutting an umbrella. Hutchinson's parts to stretch the tip of the hat body consist of a concave-ribbed former and a convex-ribbed former, manipulated by hand, and, like the two formers in the defendants' tip stretcher, in construc-

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tion, as ribbed formers, and brought together to stretch the tip between them, placed on the convex former, by pressing the ribs of one former between the recesses in the other former. Hutchinson, in using his brim-stretching devices, employed a lever, which had its fulcrum in a post which formed a part of a building, to make pressure on the top of the dome-shaped piece, the fulcrum being at the end of the lever. There was no organized machine. The description given of the use of the devices is, that they were tried, to see whether they would block a hat or not; that they were not operated continuously; that sometimes Hutchinson would make an alteration, and then another trial would be made, to see whether the alteration was any improvement; that but one brim stretcher was made, and that of wood, which was broken several times in operating it; that the tip stretcher was of wood, and was tried on a few tips, and was broken, in use, and never repaired; that Hutchinson had the idea of constructing a machine embodying the principle of such devices, but had no definite plan as to the appliances by which the machine was to work out such principle; that nothing was done towards carrying out such intention; that the devices were tried in 1860, prior to, but not later than, June; that they were then stowed away in a closet, where old books and papers were kept, in a factory where Hutchinson continued to be employed for two years afterwards; and that they remained in that closet, unused, for three years and a half, and were then removed to another place, whence they were taken to be used as evidence in favor of the parties defending this suit. These devices of Hutchinson amounted to nothing, and were practically useless, for the reason that they were not combined in an organized machine. They lacked the combination and arrangement of them which Eickemeyer made, and which secures circumferential equality of action of the stretching devices on the material, and accuracy of operation, by means of the concentric approach to, and recession from, each other, of the ribs and stretching devices. The equable intervention of the ribs between the stretching devices is an essential feat-

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ure of the patent, due to the mechanical organization. There is no such feature in Hutchinson's devices, because there is no mechanical organization capable of developing such feature. Whether the ribs and stretching devices, in Hutchinson's tools, will move concentrically or not, is a matter of accident, and dependent on the skill of the person handling the tools, and the equability of intervention of the ribs and stretching devices is equally a matter of accident and skill in handling.

There is, therefore, nothing in what Hutchinson did that can interfere with the second and third claims of the patent, which are the only ones involved in this suit. Even if Eickemeyer had seen and known of what Hutchinson did, he would have been entitled to make those two claims. It has been attempted to be shown that Eickemeyer knew of and saw Hutchinson's devices. Whether he did or not, is of no importance. But the evidence wholly fails to show that he did. Hutchinson's devices amounted to nothing. They needed the addition of what is found in the defendants' machines, and which makes of them combinations that were invented by Eickemeyer. It is a mistake to say, that the claims of the plaintiffs' patent cover Hutchinson's instruments. So far as the plaintiffs' patent is concerned, those instruments are free to be used by the defendants in the manner in which Hutchinson used them.

The claims of the original patent granted to Eickemeyer were as follows: "1st. The employment, in the process of stretching hats, of a skeleton or ribbed and recessed former, substantially such as is herein described. 2d. The pressing ring, E, in combination with the skeleton or ribbed and recessed former, substantially as and for the purpose herein specified. 3d. The employment, substantially as herein described, in combination with the skeleton or ribbed and recessed former, of pressing rollers, K, M, or other equivalent pressing devices, operating as herein set forth. 4th. The combination, in a machine for stretching hats, of a skeleton or ribbed and recessed former, a pressing ring, and a system of rollers, or other equivalent pressing devices, the whole com-

bined and operating substantially as and for the purpose herein specified." Because Eickemeyer did not, in his original patent, make the claims which are made in the second and third claims of the reissued patent, but only made claims which were substantially the same as the first, fourth, fifth and sixth claims of the reissued patent, it is argued that he must have seen the devices of Hutchinson. I draw the very opposite inference. For, if he had seen them, it would have been in his mind, in taking out his patent, that the upper ribs and upper stretching devices might be used separately from the lower ribs and lower stretching devices, as Hutchinson used his tools, and, with such idea, Eickemeyer would have made, in his original patent, claims like the second and third claims of the reissued patent, which are fully warranted by what is found in the specification and drawings of the original patent. It would not detract a particle from the merit or validity of Eickemeyer's invention, if he had seen Hutchinson's tools; but there is no satisfactory evidence, derived from witnesses, or from the history of the case, to warrant the conclusion that he saw or knew of them.

There is no more warrant for saying, in this case, that Eickemeyer did not intend, in taking out his original patent, to make such claims as the second and third claims of the reissued patent, than there is, in every case of a reissue, for saying that claims in the reissue, not found in the original, were not intended to be made, when the original was taken out, because they were not put in, as claims, into the original. On this principle, there never could be a reissue covering claims not substantially found, as claims, in the original.

The argument on the part of the defendants seems to be founded on the idea, that the second and third claims of the reissued patent cover the use of Hutchinson's tools, as Hutchinson used them. This is an error. The use of Hutchinson's tools, as he used them, are not combinations of them, such as the second and third claims of the plaintiffs' patent intend and cover. There are no mechanical combinations of Hutchinson's tools, when they are used as he used them. The

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second claim of the reissue does not cover broadly the use of the tip former in connection with the upper series of stretchers, detached from the mechanical combination and arrangement of such former and stretchers, found in the plaintiffs' patent, and not found in Hutchinson's tools. So, too, the third claim of the reissue does not cover broadly the use of the brim former in connection with the lower series of stretchers, detached from the mechanical combination and arrangement of such former and stretchers, found in the plaintiffs' patent and not found in Hutchinson's tools.

There must be a decree for the plaintiffs, for a perpetual injunction, and an account of profits, and an ascertainment of damages, with costs, in respect to the second and third claims of the patent.

George Gifford, for the plaintiffs.

Charles M. Keller, for the defendants.

MADELEINE C. BATTLE

vs.

THE MUTUAL LIFE INSURANCE COMPANY OF NEW YORK.
IN EQUITY.

A plaintiff, in a suit in equity, can recover only upon the case made by his bill, and not upon that made in the evidence.

An admission in the answer will be of no use to the plaintiff, unless it is put in issue by some charge in the bill.

On final hearing, the Court announced, that, on the pleadings and proofs, as they stood, it was impossible to grant to the plaintiff the relief prayed for. The plaintiff then moved for leave to amend the bill. It appearing, that, by making the amendments proposed, the bill and the answer would agree in their statements, in the particulars covered by such amendments; that the evidence and the answer made out a case for relief to the plaintiff, but a case

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different from the one stated in the bill; that the purposes of substantial justice required that the amendments should be made; that the amendments did not change the subject matter of the bill; and that no decree had been passed: *Held*, that the motion ought to be granted, on payment of costs.

Held, also, that, although some testimony on the part of the plaintiff might be in conflict with the amendments, yet, as the amendments harmonized with the allegations of the answer, and such testimony was not testimony sustaining the allegations of the answer, the point was immaterial.

The case of *Neale v. Neales*, (9 *Wallace*, 1,) commented on, and held to warrant the allowance of such amendments.

(Before BLATCHFORD, J., Southern District of New York, February 12th, 1873.)

BLATCHFORD, J. It is a well settled rule, in a suit in equity, that the plaintiff can recover only upon the case made by his bill, and not upon that made in the evidence. It is equally well established, that, if an admission is made in the answer, it will be of no use to the plaintiff unless it is put in issue by some charge in the bill. Hence, the plaintiff is frequently obliged to ask leave to amend his bill, although a clear case for relief is apparent upon the face of the pleadings. Thus, where a bill against an executor prays an account of the personal estate of the testator, on the ground that the executor has received assets, but does not charge any acts of mismanagement in the executor, no decree for an account can be had as to acts of mismanagement, although the answer discloses such acts, and shows that, in consequence of them, no assets were received. The reason is, that such matter is not matter in issue. (*Story's Eq. Pl.*, 8th ed., §§ 262 a, 264.)

In the present case, the answer admits and avers that the plaintiff duly made payment of the premiums on the policies in question in each year to and including the year 1861, (such payments for the year 1861 falling due on the 21st of May in that year). It also avers, that the appointment of McCoy, as agent of the defendants at Mobile, was revoked by the defendants on the 26th March, 1861; that notice thereof was given to McCoy and to the plaintiff; and that, since that date, the defendants have had no agent in the State of Alabama. The substance and effect of the allegations in the answer is, that the plaintiff had notice of the revocation of March 26th, 1861,

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whenever, after that date, she made, or attempted to make, any payment of premium to McCoy, as agent of the defendants. There is, moreover, a distinct allegation, in the answer, that if the plaintiff, after the 26th of March, 1861, made any payments to McCoy, as the agent of the defendants, she made the same in her own wrong, with full knowledge that he had no power or authority to receive the same, or to act as such agent. Yet the answer admits that the plaintiff paid the premiums due May 21st, 1861. The bill avers that such payment was made to the defendants through McCoy, as their agent. The answer avers that such payment was made to the defendants by the plaintiff through McCoy, and that the defendants received the money from McCoy as the agent of the plaintiff.

The bill avers the due payment of premiums, by the plaintiff, to the defendants, through McCoy, as their agent, for the years 1862, 1863 and 1864. At the hearing, the counsel for the plaintiff stated that the plaintiff desired to abandon the position of the bill, that there was any payment of premiums made by her after the payment of 1861, and to accept the position of the answer, that the appointment of McCoy, as agent, was revoked in March, 1861, and that she had notice of such revocation, and, consequently, to admit, that no payment made to McCoy after the payment of 1861 was a valid payment to the defendants, and to claim the benefit of all the legal consequences flowing from such revocation and notice. But the Court found it impossible, consistently with the principles before stated, to allow the plaintiff to take such a course, on the allegations found in the bill, for the reason, that the bill avers, that the plaintiff paid, through McCoy, as the agent of the defendants, on the 21st of May in each of the years 1862, 1863 and 1864, the premiums due on those days; that, on the 21st of May, 1865, she did not pay the premium then payable, because the agency of McCoy, as she was informed and believed, had been theretofore revoked, and no one had been appointed in his place; that the defendants pretend that the agency of McCoy was revoked on or before

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the 21st of May, 1862; that the contrary of such pretence is true; that she had no notice of any such revocation; and that she dealt with McCoy, as such agent, in good faith. The purport of these allegations is, that the payment for 1862, through McCoy, was valid, because his agency was not revoked on or before the 21st of May, 1862; that she had no notice, before that date, of any such revocation; that she dealt with McCoy, as the defendants' agent, in good faith, in paying the premiums due in 1863 and 1864 as well as in 1862; and that she failed to pay the premium due May 21st, 1865, because the agency of McCoy, as she had by that time been informed, had been before that time revoked, and there was no agent in his place. In other words, it is substantially alleged, in the bill, that the agency of McCoy was not revoked on or before the 21st of May, 1864, but was revoked before the 21st of May, 1865, and the plaintiff was informed thereof by the latter day; that the plaintiff made due payment, through McCoy, as the defendants' agent, for the years 1862, 1863 and 1864; and that such revocation and information, and the fact that there was no new agent in McCoy's place, was the reason why the plaintiff did not pay through McCoy, or through any agent of the defendants in Mobile, the premiums due May 21st, 1865.

The allegations of the answer, of which the plaintiff desired to take advantage as admissions, could not be regarded as admissions, because they were not alleged, as facts, in the bill. On the contrary, facts inconsistent with them were alleged in the bill to be the facts of the case. The Court, on the pleadings and the evidence, found it impossible not to say, that, as respected the plaintiff, the agency of McCoy, as agent of the defendants at Mobile, continued until after the 21st of May, 1863; that she could have made payment to him there of the premiums due on that day; and that, she having failed to do so, there was a default on her part in complying with the conditions of the policies, whereby they were forfeited. The Court, therefore, announced, that, on the pleadings and

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proofs, as they stood, it was impossible to grant to the plaintiff the relief prayed for.

The plaintiff now moves for leave to make sundry amendments to the bill, alleging, on affidavit, that the bill is in error in stating that she paid, through McCoy, the premiums for 1862, 1863 and 1864, and that the amendments which she desires to make accord with the admissions and averments of the answer, and with the facts of the case, and with the proofs heretofore taken in the cause.

The first three amendments proposed are these: The bill alleges that the plaintiff, "until the 21st day of May, in the year 1865," paid to the defendants, through McCoy, their duly authorized agent, the premiums as they became due, and so paid in each of the years 1862, 1863, and 1864, the sum of \$403, making, with previous payments, a total of \$1,836. By the amendments proposed, the bill will allege, that the plaintiff, "until the 21st day of May, in the year 1862," paid to the defendants, through McCoy, their duly authorized agent, the premiums as they became due, making an aggregate of payments, of \$3,627. The answer alleges, that the premiums were paid until and including those for 1861, and that none were paid after those for 1861. It is true, that the answer, while admitting that McCoy was the agent of the defendants at Mobile, for certain purposes, from 1853, until March, 1861, and that he received from the plaintiff, and forwarded to the defendants, the premiums she paid, from and including 1853, to and including the premiums due May 21st, 1861, avers that, in receiving and forwarding such premiums, he acted as the agent of the plaintiff. But, as the bill, with such three proposed amendments, and the answer, will agree in the statement that the plaintiff paid, and the defendants received, the premiums payable until and including those for 1861, and none after those for 1861, the question as to how those acknowledged payments were made, becomes immaterial. The bill and the answer will agree in the only statement that is material.

The next amendment proposed is this: The bill alleges

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that the plaintiff, on the "21st of May, 1865," and thereafter, was ready to pay all premiums as they became due, but that she did not, on or after the "21st of May, 1865," pay any of such premiums, because the agency of McCoy, as she was informed and believed, had been theretofore revoked, and no one had been appointed in his place. By the amendments proposed, the bill will allege, that the plaintiff, on the "21st of May, 1862," and thereafter, was ready to pay all premiums as they became due, but that she did not, on or after the "21st of May, 1862," pay any of such premiums, because the agency of McCoy, as she was informed and believed, had been theretofore revoked, and no one had been appointed in his place. The answer alleges, that the defendants, on the 26th of March, 1861, revoked the agency of McCoy, and gave notice thereof to him and to the plaintiff, and that if she, after that date, made any payments to him, as the agent of the defendants, she made the same in her own wrong, with full knowledge that he had no power or authority to receive the same, or to act as such agent. The defendants, in the answer, acknowledge the receipt of the premiums of 1861, through McCoy, not as the agent of the defendants, but as the agent of the plaintiff. The bill, with this proposed amendment, and the answer, will, therefore, agree in the statement, that, before the time for making the payments due May 21st, 1862, came around, the agency of McCoy had been revoked by the defendants, and notice thereof had been given to the plaintiff.

The next amendment proposed is this: The bill alleges, that the defendants pretend that the agency of McCoy had been revoked by them on or before the 21st of May, 1862. By the amendment proposed, the bill will allege, that the defendants pretend that the agency of McCoy had been revoked by them on or before the 21st of May, 1861. The answer, as before shown, alleges, that the agency of McCoy had been revoked by the defendants on the 26th of March, 1861. The bill, with this proposed amendment, and the answer, will, therefore, agree in the statement, that the defendants pretend

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that the agency was revoked on or before the 21st of May, 1861. The bill will then, if the above amendment is allowed, go on to say, that it is not true that the agency of McCoy was revoked on or before the 21st of May, 1861. One object of such amendment appears to be, to have the bill thus aver, that the agency of McCoy continued until after the 21st of May, 1861, so as to make valid the payments, through McCoy, of the premiums due on that day. As before stated, such averment is not material for such purpose. In this connection, the bill is further proposed to be amended, so as to deny that the plaintiff had any notice, until after the 21st of May, 1861, of any revocation made on or before the 21st of May, 1861. One object of this amendment appears to be, to have the bill deny any notice of any revocation of the agency of McCoy, which could invalidate the payments, through McCoy, of the premiums due May 21st, 1861. But, as before stated, such a denial is not material for such purpose. But, there is a point of view in which the last named two proposed amendments are material. The bill now avers, that it is not true that the agency of McCoy was revoked by the defendants on or before the 21st of May, 1862, and denies that the plaintiff had any notice of any such revocation. Changing this to an averment that it is not true that the agency of McCoy was revoked by the defendants on or before the 21st of May, 1861, and to a denial that the plaintiff had any notice of any such revocation until after the 21st of May, 1861, is a necessary change, so far as concerns the making the bill no longer aver that it is not true that the agency was revoked on or before the 21st of May, 1862, and the making it no longer deny that the plaintiff had any notice of such revocation, because, one of the previous amendments will have made the bill aver, that, on the 21st of May, 1862, the agency of McCoy, as the plaintiff was informed and believed, had been theretofore revoked. Such object will be effected by the statement, that the agency was not revoked on or before the 21st of May, 1861, and by the denial that the plaintiff had any notice of any such revocation until after the 21st of May, 1861. These

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two amendments, therefore, will be consistent with the other amendments, and with the allegations of the answer.

It is strenuously insisted, on the part of the defendants, that no case can be found where a plaintiff in an equity suit has been allowed to amend the bill at the stage of the cause which has been reached in this suit. But I understand the decision of the Supreme Court in *Neale v. Neales*, (9 *Wallace*, 1,) as fully warranting the allowance of the amendments now asked for. In that case, a bill was filed by a husband and his wife, against the father of the husband, alleging a promise by the father to give to the son or to his wife, a lot of land, so that a house might be erected on it, with her money, for *their* home, and the erection of the house with her money, and the refusal of the father to give a deed of the house and lot to her, and his occupation and possession of the same, and praying that he might make such deed to her and her heirs, or to some one in trust for her and their benefit, and account for the rents. The evidence showed a promise to give the lot to the wife, so that a house might be built on it with her money, and the erection of the house on the lot with her money, with the consent of the father, and on the faith of such promise; and the answer, in substance, set forth that state of facts. The case was heard, and, after hearing it, and after considering the proceedings, the Court, of its own motion, and without assigning any reason, ordered that the plaintiffs have leave to amend their bill, on payment of costs. The bill was amended, so as to allege, that the father promised to give the lot to the wife, on the understanding that her money should be expended in building a dwelling house on it for herself and her heirs. On the amended pleadings, and on substantially the original evidence, the case was heard again, and a decree made, that the father should make a deed to a trustee, of the house and lot, for the sole use and benefit of the son's wife, and account for the rents since the filing of the bill. It is apparent, that the Court considered that, although the answer and the evidence showed a case for relief, in favor of the wife, the relief prayed for could not be

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given on the bill as originally framed. The Court considered the proofs, on the pleadings as they were, and made a decision, that, on the bill as it was, the relief asked could not be given. But, instead of entering a decree to that effect, it gave the plaintiffs, without a motion to that effect by the plaintiffs, leave to amend the bill. The defendant appealed from the decree to the Supreme Court, and it was there urged, for him, that the bill could not be amended, after publication had passed, and the case had been set down for hearing, in any other respect than by making new parties; that the original bill recognized the marital rights of the husband, and the amended bill set up a claim adverse to such marital rights; and that this changed the framework of the bill and made a new case. On this point, in its decision, the Supreme Court say: "It would seem clear, from the manner in which the Court below, of its motion, and without assigning any reasons for this action, gave the complainants leave to amend their bill, that, on the original hearing, it was satisfied that the evidence made out a case for relief, but a case different from the one stated in the bill; and that, as the pleadings must correspond with the evidence, it was necessary either to dismiss the bill without prejudice, or to give the leave to amend. The Court adopted the latter alternative, doubtless, with a view to save expense to the parties, and because such a course could not, by any possibility, work any harm to the defendant. It is insisted that this proceeding was erroneous; that, after a cause has been heard, the power of allowing amendments ceases, or, if it exists at all, cannot go so far as to authorize a plaintiff to change the framework of his bill, and make an entirely new case, although on the same subject matter, as, it is contended, was done in this instance, under the leave to amend. This doctrine would deny to a Court of equity the power to grant amendments after the cause was heard and before decree was passed, no matter how manifest it was that the purposes of substantial justice required it, and would, if sanctioned, frequently embarrass the Court in its efforts to adjust the proper mode and measure of relief. To

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accomplish the object for which a Court of equity was created, it has the power to adapt its proceedings to the exigency of each particular case, but this power would very often be ineffectual for the purpose, unless it also possessed the additional power, after a cause was heard and a case for relief made out, but not the case disclosed by the bill, to allow an alteration of the pleadings on terms, that the party not in fault would have no reasonable ground to object to. That the Court has this power and can, upon hearing the cause, if unable to do complete justice by reason of defective pleadings, permit amendments, both of bills and answers, is sustained by the authorities. Necessarily, in a Federal tribunal, the matter of amendment, at this stage of the progress of a cause, rests in the sound discretion of the Court. At an earlier stage, this discretion is controlled by the rules of equity practice adopted by this Court, but not so upon the hearing, for there is no rule on the subject of amendments, applicable to a cause which has advanced to this point. As, therefore, the leave to amend, in this instance, was within the discretion of the Court, we will proceed to dispose of the case on its merits. It is unnecessary, in the view we have taken of the power of the Court over amendments at the hearing, to discuss the question whether the amended bill is materially different from the original bill. It is enough to know, if different, that the subject matter of both bills is the same, and that the contract, consideration, promise, and acts of part performance, stated in the amended bill, are stated with sufficient precision, and, if supported by proof, entitle the complainants to the relief which they seek at the hands of a Court of equity." The Court then, on the merits, affirm the decree.

In the present case, I was satisfied, on the hearing, that the evidence and the answer made out a case for relief to the plaintiff, but a case different from the one stated in the bill, and that the case was a proper one for an amendment of the bill. I did not grant the leave to amend at once, but left the plaintiff to move for such leave, and to suggest the amendments desired. I only stated that I could not, on the plead-

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ings and proofs as they stood, grant to the plaintiff the relief prayed for, and I pointed out the difference between the allegations of the bill in the Hamilton case and the bill in this case, in reference to the facts attending the revocation of McCoy's agency, and the correspondence between the averments of the answer in the Hamilton case and the answer in this case, as to such facts, and the fact that the parties agreed, in their pleadings, in the Hamilton case, as to such facts, and that they did not agree, in their pleadings, in this case, as to such facts. The power of the Court now to grant leave to make the amendments is none the less than if it had granted such leave at the hearing, and of its own motion. The purposes of substantial justice require that the amendments shall be made. The amendments do not change the subject matter of the bill, and no decree has been passed.

It is urged, that the proposed amendments are in conflict with the testimony on the part of the plaintiff; and that the plaintiff proved that premiums on the policies were paid to McCoy, at Mobile, on the 6th of May, 1862, and on the 30th of May, 1863, and also proved that she, or her agents, dealt with him as the agent of the defendants, and that he acted as such down to and including May 30th, 1863. The witness who made the payments at Mobile in 1861, 1862 and 1863 states, that he made them to McCoy, "then residing in Mobile, and acting as the agent of the company;" that the witness made such payments on account of the plaintiff's husband, (the moneys to pay them having been, as is shown, furnished by the latter;) and that the witness made the payments supposing that McCoy was the agent of the defendants, as he had been so for many years, and the witness had no knowledge of any change of affairs. This evidence was given under an averment in the bill that McCoy continued to be the agent of the defendants until after the alleged payment of 1864 was made, and, in the absence of proof that the letter of revocation was received by McCoy, or that the plaintiff had notice of such revocation, such evidence tended to prove such averment. An allegation that the agency terminated before May

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21st, 1862, is, of course, in conflict with an allegation that it continued until after May 21st, 1864, and evidence to support the latter allegation is, of course, in conflict with the former allegation. But, as the amendments to the bill will perfectly harmonize with the allegations of the answer, it is of no consequence to the defendants that some testimony on the part of the plaintiff may be in conflict with the amendments. If the testimony referred to had been testimony sustaining the allegations of the answer, there might, perhaps, be some force in the objection. But, the answer maintains throughout that the agency terminated, with notice of the revocation to the plaintiff, before the payment of 1862 was due, and none of the testimony referred to, given on the part of the plaintiff, tends to sustain such averment of the answer.

As the case falls directly within the principle of the decision in *Neale v. Neales*, I must grant leave to make the amendments, on payment of costs.

Charles F. Sanford, for the plaintiff.

Henry E. Davies, for the defendants.

THE UNITED STATES

vs.

1,412 GALLONS OF DISTILLED SPIRITS.

The provision of the 96th section of the Internal Revenue Act of July 20th, 1868, (15 U. S. Stat. at Large, 164,) "that, if any distiller, rectifier, wholesale liquor dealer, compounder of liquors, or manufacturer of tobacco or cigars, shall knowingly and wilfully omit, neglect or refuse to do, or cause to be done, any of the things required by law in the carrying on or conducting of his business, or shall do anything by this Act prohibited, if there be no specific penalty or

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punishment imposed by any other section of this Act, for the neglecting, omitting, or refusing to do, or for the doing or causing to be done, the thing required or prohibited, he shall pay a penalty of \$1,000, and, if the person so offending be a distiller, rectifier, wholesale liquor dealer, or compounder of liquors, all distilled spirits or liquors owned by him, or in which he has any interest, as owner, * * * shall be forfeited to the United States," does not authorize such forfeiture of spirits or liquors to be imposed for a violation of the 45th section of the same Act, for the reason that a specific penalty or punishment is imposed by the 45th section for a violation of the 45th section. A statute which is of doubtful or double meaning, should not be construed in its harshest possible sense, when persons to whom it applies may have been led to trust in a less severe construction of it, but one equally satisfying its terms. Apart from the consideration last stated, the construction of the Act, above stated, is deemed the most natural and to best conform to the intention of Congress and the design of the Act.

(Before WOODRUFF, J., Southern District of New York, February 24th, 1873.)

WOODRUFF, J. The information herein alleges a violation of section 45 of the Internal Revenue Act of July 20th, 1868, (15 *U. S. Stat. at Large*, 143,) and claims, that, for such violation, the spirits in question became forfeited to the United States, under and by force of the 96th section of the same Act, (*Id.*, 164). Section 45 requires rectifiers, wholesale liquor dealers, and compounders of liquors, to keep certain books, make certain prescribed entries therein, and keep such books open for inspection, with other special requirements designed to enable the revenue officers to learn various particulars, in order to prevent frauds upon the revenue; and, for refusal, neglect, or violation of its provisions, the section declares, that the rectifier, wholesale dealer, or compounder, shall pay a penalty of one hundred dollars, and, on conviction, shall be fined not less than one hundred dollars nor more than five thousand dollars, and be imprisoned not less than three months nor more than three years.

From the passage of the Internal Revenue law of 1862 down, the legislation of Congress manifestly looked to distilled spirits and distillers, and to tobacco and its manufacturers, for a considerable revenue; and the provisions of the several enactments to provide internal revenue were very stringent in their requirements tending to secure the payment of the taxes

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imposed. The law was amended, from time to time, as experience showed to be necessary, to prevent frauds and evasions of the tax. Fines, penalties, and punishment by imprisonment were annexed to various sections of the law, and new provisions, as well as amendments, were devised, to the same end. In 1868, the law, so far as related to distillers and distilled spirits, and to tobacco and tobacco manufacturers, was revised, and the Act of that year prescribed the duties of distillers, rectifiers, compounders of liquors, and tobacco manufacturers, with great particularity, and, as to a large extent was true of previous laws, annexed to most of the sections both prohibitory and prescriptive penalties, fines, forfeitures, or punishment by imprisonment, as the consequence of a violation of its commands, apparently measuring the severity of the infliction by the estimate the legislature had of the magnitude of the evil contemplated in the several sections; and yet, some few sections were left without any specific prescribed penalty for their violation. The former laws, however, relating to the same subjects, were not, in terms, repealed, but only so far as the Act of 1868 was inconsistent therewith. In some sections, a pecuniary penalty alone was prescribed; in others, a fine; in others, a fine and imprisonment; in others, forfeiture of property, such as forfeiture of the spirits seized, or forfeiture of the tools and instruments, also; while, in two sections, § 22 and § 44, (relating to distillers, rectifiers, &c.,) for a violation thereof, the forfeiture was, not only of all distilled spirits owned by them, wherever found, but, also, the stills and apparatus, and all personal property found in the distillery, store or other place of business, or in the building or enclosure, and all the right, title and interest of the party in the lot of ground, &c., &c. After a very full specification of such cases and particulars as the experience of years had shown to be necessary, the 96th section further provided as follows: "and be it further enacted, that, if any distiller, rectifier, wholesale liquor dealer, compounder of liquors, or manufacturer of tobacco or cigars, shall knowingly and wilfully omit, neglect, or refuse to do, or cause to be done, any of the things required by law in the

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carrying on or conducting of his business, or shall do anything by this Act prohibited, if there be no specific penalty or punishment imposed by any other section of this Act, for the neglecting, omitting, or refusing to do, or for the doing or causing to be done, the thing required or prohibited, he shall pay a penalty of one thousand dollars; and, if the person so offending be a distiller, rectifier, wholesale liquor dealer, or compounder of liquors, all distilled spirits or liquors owned by him, or in which he has any interest, as owner, and, if he be a manufacturer of tobacco or cigars, all tobacco or cigars found in his manufactory, shall be forfeited to the United States." This would seem to be a section added to the other provisions, in order to fully cover the subject, and to punish all violators of the law, whether by knowing and wilful omission, or by actual transgression, not in terms required to be knowing or wilful.

The demurrer in this case is urged on the ground, that this 96th section does not apply to a violation of the 45th section above recited, because there is a specific penalty prescribed in the 45th section itself, namely, a penalty of \$100, a fine of not less than \$100 nor more than \$5,000, and imprisonment for not less than three months nor more than three years. The question depends solely upon the true construction of the 96th section; and that construction alone has been discussed by the counsel for the Government and the counsel for the claimant.

On behalf of the Government, it is insisted, that former Acts had prescribed forfeiture of all the spirits, in general terms, for any violation of their requirements; that this section is a modified re-enactment of such general provisions; that this section was intended to provide, and does provide, a specific penalty of one thousand dollars, for all knowing and wilful omissions, and all active violations, for which no specific penalty or punishment was imposed by any other section, but the residue of the section applies to all persons who knowingly and wilfully omit, neglect or refuse compliance with the Act, or do anything by the Act prohibited, whether specific penal-

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ties or punishment have, in other sections, been imposed or not; that, in short, it was a part of the intent and purpose of this section, (whatever punishments had in other sections been provided,) that whoever, of the persons named, should knowingly and wilfully omit, neglect or refuse to do, or cause to be done, anything whatever required by law in the business of distilling, &c., and whoever should do anything by the Act prohibited, should forfeit all distilled spirits and liquors owned by him, or in which he has any interest, as owner.

On behalf of the claimant, it is insisted, that the sole object of this 96th section was to provide for cases not otherwise fully provided for, by imposing a penalty, and declaring a forfeiture, if, and only when, no specific penalty or punishment was imposed by any other section.

Who is "the person so offending," or, rather, what is the meaning of "so offending?" It was argued by counsel, and it seems quite clear, that, if this be determined, it decides the controversy. The person "so offending" forfeits his spirits to the United States. Is he one, and every one, who is guilty of the knowing and wilful omission, neglect and refusal, or who does the thing prohibited by the Act; or is he one, and only one, who is guilty of a knowing and wilful omission, neglect or refusal to do what is required, or does something which is prohibited, for which no specific penalty or punishment is imposed by any other section of the Act? It cannot, I think, be denied, that either construction would satisfy the words used in the section; and the question is one upon which intelligent and fair minds, studying the section with single purpose to ascertain its just meaning, may differ. Such a difference has arisen in the District Courts. (*In re Spirits*, 8 *Benedict*, 552; *United States v. Spirits*, 11 *Int. Rev. Rec.*, 45; *United States v. Apple Brandy*, *Id.*, 125; *United States v. Spirits*, *Id.*, 191; *United States v. Spirits*, 12 *Id.*, 123; *United States v. Spirits*, 13 *Id.*, 52; *United States v. Spirits*, *Id.*, 188.) I concur with those who hold that the forfeiture here declared applies only to cases for which no specific penalty or punishment is imposed by other sections. The

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96th section clearly admits of that interpretation. The fact that intelligent and fair minds have been in doubt, and have differed on the subject, and an examination of the section itself, both concur to show, that, at most, the construction claimed by the Government, though it be possible, is doubtful. In construing a severe statute, declaring a heavy forfeiture, (and, according to one construction claimed, for small offences,) it is just to say, that those who are called upon to conduct their business affairs in view of all its provisions, ought to be fairly apprised of its requirements, and of its penalties, of whatever kind. They are bound to know the law, but law-makers owe to them the duty to make the law intelligible; and those whose business it is to construe or expound a law which is of doubtful or double meaning, should not incline to the harshest possible meaning, when it is obvious that those to whom it is to be applied may well have been led to trust in another which is less severe, but equally satisfying its terms. This is not saying that laws of the kind in question are to be strictly construed in favor of the subject and against the State, but, only, that they should be construed with reasonable fairness to the citizen.

But, independent of this consideration, I am of opinion, that the most natural construction of the language of the section is that which confines its operation to cases for which no penalty or punishment is imposed by other sections; that the person "so offending" is one who has offended under the conditions previously stated; and that the immediate connection between the penalty and the forfeiture, expressed by the conjunction "and," expresses and shows an intent to express an addition to the penalty, wherever the penalty of one thousand dollars has been incurred, and nothing more. Had the section declared, that the person first described as omitting, neglecting, or refusing compliance with the law, or doing what is prohibited, should, if no specific penalty or punishment was elsewhere imposed, pay a penalty of one thousand dollars, and that all distilled spirits or liquors owned by him should be forfeited, it would be entirely plain, that the forfeiture could

only apply to cases not otherwise specifically provided for, that is, to persons who incurred the penalty of one thousand dollars. Obviously, I think, it would have so read, had the section embraced, in its description of offenders, only distillers, rectifiers and compounders of liquors; but, manufacturers of tobacco were included in the description of the offenders. It was necessary that such forfeitures should be distributively declared, so as to forfeit tobacco in the case of the tobacco manufacturers, and spirits and liquors in the case of distillers, &c. Hence, the terms of distribution employed when the forfeiture was added to the penalty.

I am aware, that it is of little use to multiply words, in discussing the meaning of the language of the section. It is possible to say much in support of either view, if attention be confined to the mere phraseology. The section may be paraphrased, its form changed, its parts transposed, and either meaning made more apparent. For example, if the word "also" had followed "and"—"and, also, if the person so offending be a distiller, &c., all distilled spirits, &c., shall be forfeited, &c."—the meaning would have been plain; and yet, the word "and" above may properly be deemed to have that precise import. But, without too rigid attention to mere word criticism, the meaning must be declared according to the impression left upon an intelligent mind, after bringing into view the subject matter, the previous provisions of the Act, the design of the statute, and the whole language of the section itself. My own conviction conforms to that insisted upon by the claimant in this case.

Without attaching too great importance to the argument, that Congress will not be presumed to intend to accumulate penalties or forfeitures, upon penalties, forfeitures and punishments previously annexed to specific acts or defaults, graduated as the latter are by the importance or gravity of the several specified offences, the construction insisted on by the claimant gains much support in the fact, that there are two previous sections which impose forfeiture, not only of the spirits owned by the offender, wherever it may be, but, of the

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tools, implements and all personal property found on the premises, and the lot of land, also, (§§ 22, 44.) Now, to suppose that Congress, by the 96th section, meant to declare, that those who violated the law in any particular should, notwithstanding the specific penalty or forfeiture previously declared in any other section, forfeit, also, all spirits owned by them, is to impute to them little less than an absurdity. In the sections referred to, forfeiture of all spirits, and much more than that, was already imposed. It is not to be supposed, that, by the 96th section, those previously declared forfeitures were made less.

Besides, the argument, that the 96th section spreads forfeiture of all spirits, &c., over the whole Act, including those two prior sections, and some others containing similar forfeitures, involves incongruity between parts of the statute, and would raise the question of law, whether the 96th section did not operate as a *quasi* repeal, or revocation, of the prior forfeitures specifically declared.

Without prolonging discussion upon the question, I must hold, that the forfeiture of spirits declared by the 96th section does not apply to cases or offences described in other sections, wherein a specific penalty or punishment therefor is imposed for the offence. The demurrer is, therefore, sustained.

Thomas Simons, (*Assistant District Attorney*), for the United States.

Harland & Rollins, for the claimant.

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GASTON DE BRIMONT

vs.

JAMES F. PENNIMAN, IMPLEADED WITH CORNELIA J.
PENNIMAN, HIS WIFE.

G., a French citizen, married, in France, the daughter of P., and of his wife, C., citizens of the United States. Such wife of G. died, leaving a child of such marriage. Under the statute law of France, providing, that a father-in-law and a mother-in-law must make an allowance to a son-in-law who is in need, so long as a child of the marriage is living, G. afterwards obtained, in a Court of France, a judgment or decree against P. and C., then residing in France, in an action in which they were served with process and appeared, requiring P. and C. to pay him a certain sum per year, in monthly payments, in advance, one-third of it to be for his use, and two-thirds of it for the use of the child. G. brought an action of debt, on the judgment or decree, in this Court, against P. and C., to recover the amount of the decreed payment for two years and seven months: *Held*, that the suit could not be maintained.

The laws of France upon which such decree was made, and such decree founded thereon, are local in their nature and operation. They are designed to regulate the domestic relations of those who reside there, and to protect the public against pauperism. They have no extra-territorial significance, but must be executed upon persons and property within their jurisdiction.

Such orders of the French tribunals are in this respect like orders of filiation, and orders made, under local statutes, to guard against pauperism, and in the nature of local police regulations, and are not founded upon principles which, irrespective of local statutes, are of universal acceptance, like judgments for a sum certain, founded upon contracts or other recognized private rights.

(Before WOODRUFF, J., Southern District of New York, February 24th, 1878.)

WOODRUFF, J. This is an action of debt. The declaration contains two counts. The first is founded on an alleged judgment or decree pronounced in the then Empire of France; the other count is debt on simple contract, for interest alleged to be due to the plaintiff, for the forbearance of moneys due and owing by the defendants to the plaintiff. The first count only is demurred to. That count alleges, that the plaintiff is

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an alien and a citizen of the French Republic, and that the defendants are citizens of the United States and of the State of New York ; that, on the 16th of March, 1868, at Paris, in the then Empire of France, the plaintiff intermarried with the daughter of the defendants ; that a child of the marriage was born, who is still living ; and that, on the 7th of February, 1869, such daughter, (the wife of the plaintiff,) died. The declaration then sets out certain articles of the Code Civil of France, which provide, that children must make an allowance to their father and mother, and other ancestors, who are in need ; that sons-in-law and daughters-in-law must, also, in like circumstances, make an allowance to their fathers-in-law and mothers-in-law, but this obligation ceases, first, when the mother-in-law contracts a new marriage, and, second, when that one of the married couple through whom the relation of affinity exists is dead and the children born of such couple are also dead ; that the obligations springing from the foregoing provisions are reciprocal ; and that an allowance is only to be granted in proportion to the necessities of him who claims, and to the means of him who is bound to pay. It is next averred, that, at and prior to the said intermarriage, and at the time of the rendition of the judgment and decree next mentioned, and subsequently to such decree, the defendants were residents of the Empire of France, had the benefit of its laws and owed to it a temporary allegiance ; that, on the 14th of August, 1869, the Civil Tribunal, (particularly mentioned,) at Paris, rendered and pronounced judgment, in an action there pending, wherein the said plaintiff was plaintiff and the said defendants were defendants, brought by the plaintiff, to obtain an allowance from the defendants, under the said articles of the Code Civil, that the defendants, jointly and severally, pay to him 18,000 francs per year, in equal monthly payments, in advance, such payments to be made from the time that such allowance was first demanded, and should be 6,000 francs for the use of said plaintiff, and 12,000 francs for the use of the said child of the plaintiff and of said daughter of the defendants ; that the defendants were both duly served

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with process in said action and appeared therein; that the said Civil Tribunal was a Court of the Empire of France, and had jurisdiction of the subject-matter of the action and of the parties; that the defendants appealed from the said judgment to the Court Imperial of Paris; that such appeal was there prosecuted by the plaintiff and the defendants, and, on the 5th of May, 1870, such appellate Court adjudged and decreed, that the before-mentioned judgment be affirmed, in respect of the right of the plaintiff to an allowance, and in respect of the amount, to wit, 18,000 francs per year, and of the appropriation thereof by the plaintiff, to wit, 6,000 francs to the use of the plaintiff and 12,000 thereof to the use of the said child, and in respect of the times and manner in which it should be paid to the plaintiff, to wit, in equal monthly payments, in advance, and did adjudge and decree, that the defendants, jointly and severally, pay to the plaintiff the said sum, and pay the same from the day of the decease of their said daughter, February 7th, 1869, as appears, &c., by the records and proceedings of said Court, now remaining of record; that the said judgment and decree of the Court Imperial is final and conclusive, and is in full force, not reversed or annulled or satisfied, &c.; that such Court is a Court of general jurisdiction, and had jurisdiction of the subject-matter and of the parties; and that the plaintiff has not yet obtained satisfaction of the said judgment, whereby an action hath accrued to him to have and demand of the defendants, jointly and severally, the sum of \$10,200, being the value, in currency of the United States, of the sum of 48,000 francs, in which said last-mentioned sum the defendants are, jointly and severally, indebted to the plaintiff, by reason of the said judgment, for the time beginning the 7th of February, 1869, and ending the 7th of November, 1871.

The defendant James F. Penniman demurs to this count, upon various grounds, which I do not think it necessary to enumerate. They were urged on the argument, and, by not noticing many of them further, I am not to be deemed to affirm the sufficiency of the declaration in respect thereto. It is sufficient that the principal question is decided. That

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question is, whether an action of debt will lie in this Court, upon such a decree of a Court in France, made against citizens of the United States, husband and wife, temporarily resident in that Empire ?

It may not be irrelevant to state, that, besides the articles of the French Code inserted in the declaration, the counsel for the plaintiff admitted, on the argument, and he has stated on his brief, that it is provided, by other articles of that Code, that the duty to make the allowance which the decree in question provides, ceases whenever the claimant obtains a fortune sufficient for his own support, or the party by whom the payment is to be made becomes unable to pay, or cannot pay without withdrawing means which are required for his own necessities.

The question is novel. No case has been cited by counsel, in which a foreign judgment of such a nature has been the subject of an action in this country, or in England ; and no such case has fallen under my observation. Cases are numerous in which foreign judgments for the recovery of a definite sum of money have been sued upon ; and the question has been largely discussed, whether such judgments are conclusive, or are merely *prima facie*, evidence of the debt which they award, and whether, and to what extent, the subject-matter is open to inquiry and proofs, on the original merits. Those cases are not controverted by the counsel for the defendant, but they are deemed not to apply to such a decree as is set out in this declaration. Cases are, also, numerous, in which the force and effect of judgments and decrees in the Courts of one of the States of the United States are under consideration in the Courts of other of the States, or in the Federal Courts. Those cases are not deemed to apply to the present, because, the Constitution of the United States operates, as between the States, to give them an efficiency not due to a foreign judgment or decree.

In determining the precise question, whether, upon the facts stated in the declaration, the plaintiff shows a cause of action, it may not be material to decide, whether such a judg-

ment is, in this Court, to be regarded as conclusive, or only *prima facie*, evidence of the indebtedness claimed by the plaintiff; for, if it be either, then, in connection with the allegations showing the law and the relationship of the parties, a demurrer founded in denial of legal liability could not, probably, be sustained. The cases, therefore, which discuss that distinction need not be considered.

The broad question, whether a citizen of the United States, whose daughter marries in France, can be prosecuted here upon a decree of a French Court, requiring him and his wife to pay an annuity for the support of their son-in-law, is prior to the inquiry last above referred to. The subject pertains to the domestic relations of our own citizens, and the duties and obligations resulting therefrom; and the decree in question proceeds upon the declaration of an obligation not in conformity with our laws, not known to the common law, and upon the continuance of the obligation itself after the relationship out of which it is deemed to have arisen has ceased by the death of the person through whom the affinity was traced. The nearest analogy to a decree of the nature in question, to which my attention is called, is a decree for alimony, where a divorce, total or partial, has been granted; but, the only cases in which such a decree has been held to support an action in another jurisdiction are under the influence of the Constitution of the United States, and, by force of that Constitution, it was held that a suit would lie, in a Court of Chancery, to compel the performance of the decree. (*Barber v. Barber*, 21 How., 582.)

It is not irrelevant to a consideration of the nature of the decree in question, to say, that it does not proceed upon the rule of obligation recognized by all civilized nations, that the parent shall support his children during minority, which involves, also, the correlative right to the services of those children while thus supported. Such an obligation has no relation to the case under consideration. Whatever obligation or duty lies at the foundation of the claim of this plaintiff is the creature of positive statute, framed for the people of France,

to regulate their domestic concerns, protect the public, and guard against pauperism and its evils. Statutes in some respects similar are found in England, and in most, if not all, of the States of this country. The duty of parents and grandparents, and, reciprocally, of children and grandchildren, when of sufficient ability, to provide for the necessary support of those relatives, and prevent their becoming a charge to the public, is declared and is enforced. Such regulations are local in their nature, and in their application, and so are the orders for their enforcement. They are a part of a local system, to provide for paupers, and to relieve the public from their maintenance, when they have relatives within certain designated degrees, who are of ability to support them. Such orders are subject to modification and adjustment, as circumstances may require, in the States and tribunals wherein they are made. Apart from questions growing out of the Federal Constitution, they can only be enforced in the States where they are made. Orders of filiation are of a similar character. They are mainly for the protection of the public, founded on local statutes, and are in the nature of domestic police regulations. The provisions of the Code of France, set out in the declaration, and the decree of the Courts founded thereon, are of the like nature. It would seem, that the policy of that country, as viewed by its Courts, does not require that the son-in-law or other claimant shall himself do anything for his own support, but that he is to be supported in idleness. That is probably not a matter of importance to the present inquiry, except so far as it may tend to show that the judgment or decree is hostile to the policy of this country, and in conflict with the only ground upon which orders arbitrarily imposing upon one the burthen of supporting another would be tolerated. The principle upon which foreign judgments receive any recognition in our Courts, is one of comity. It does not require, but rather forbids it, when such a recognition works a direct violation of the policy of our laws, and does violence to what we deem the rights of our own citizens. The Courts of this country

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will be slow to hold, that, whenever an American citizen shall visit France, and reside there temporarily, with his family, his son or his daughter, by a rash or imprudent marriage, can cast upon the parents, mother as well as father, the perpetual burthen of an annuity, for the support of the wife or husband. So long as such residence continues, no doubt, the parents must submit to the laws of France. The orders of her Courts may be enforced against them, as those laws may prescribe; but, in a matter of this kind, those laws must be executed there, and such decrees can have, and ought to have, no extra-territorial significance. They rest upon no principles of universal acceptation, like the obligation of contracts, or the protection of generally recognized, private, personal rights. No disposition to deal with foreign judgments, so as to promote the ends of justice, demands that such decrees should be arbitrarily enforced in our Courts.

Beyond these considerations, I think it plain, upon the face of the declaration, and, especially where the other admitted provisions of the French Code (stated by the counsel) are brought into view, that the decree itself should be deemed, and would, in France itself, be deemed, local and provisional, and designed to be carried into effect there, and only upon persons and property found there. Their laws contemplate the supervisory control and direction of their Courts over the parties, in all the changes which may occur in their relative pecuniary conditions. The decree in question prescribes a temporary rule of allowance and provision for support, subject to modification according to circumstances. There is no award of any sum certain, to be presently paid, and the declaration does not show that any sum whatever could even there be collected, without a further application to the Court, for some process or other award of means by which some definite amount shall be collected. Continuing necessity, on the one hand, and continuing ability, on the other, are assumed for the future, and the absence of either makes even the decreed allowance to cease. Without assuming to say that the father-in-law and mother-in-law, if still in France,

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would not have the *onus* of showing that circumstances had changed, and of procuring a modification of the decree thereupon, these observations bear pertinently on the nature of the decree itself, and with great force on the question how such decree is to be treated in our own Courts.

In harmony with what has been already suggested, I add, that we cannot hold that such decree is final, operative and binding unless and until the defendants go to France and there appeal to the discretion of their Courts to modify the decree according to the new circumstances which may arise; and yet, the claim here made, in regard to the effect of the decree in our Courts, would require us to give judgment in accordance therewith, even though the defendants offered to prove, and could prove, that the plaintiff had come to a princely inheritance.

Without, therefore, considering the other alleged imperfections in the declaration, or the peculiarity of a decree which charges the wife of the demurrant personally, or the want of any averment that she has any separate estate which can be charged by this Court, I am of opinion, that the defendant James F. Penniman is entitled to judgment upon his demurrer.

George M. Van Hosen, for the plaintiff.

Coudert, Brothers, for the defendants.

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THE SANTIAGO DE CUBA.

THE NORTH AMERICAN STEAMSHIP CO. *vs.* JACOB LORILLARD.

EDWARD C. MURPHY

vs.

THE SANTIAGO DE CUBA AND JACOB LORILLARD.

In a collision between two steam vessels, the S. and the B., the 14th Rule, (*Act of April 29th, 1864, 18 U. S. Stat. at Large, 60.*) that, "if two ships under steam are crossing, so as to involve risk of collision, the ship which has the other on her own starboard side shall keep out of the way of the other," was applied to the S., and the 18th Rule, (*Id.*, 61,) that, where "one of two ships is to keep out of the way, the other shall keep her course," was applied to the B.

The B. having changed her course, it was held that such change was made in the jaws of peril, and was justified by the circumstances, and tended, in some slight degree, to increase the chances of escape.

The presumption of fault, under the 14th Rule, was held to be against the S., throwing the burthen on her of excusing herself for the collision.

It was held, that the S. was in fault, in not making seasonable and correct observation of the situation of the B., in not properly observing her approach, in changing to a course which promoted danger, when proper attention would have so informed her, and in not slowing, stopping and backing when the danger became obvious.

It was held, that the B., also, was in fault, in not having her green light so screened that it could not be seen across her port bow, it having been so seen by the S. as to mislead the S.; and in not slowing, stopping and backing.

In a Court of Admiralty, a disregard of the rules of navigation, by one vessel, cannot be justified, on the mere ground, that, if the other vessel, also, had not violated her duty, no harm would have resulted.

The rule in regard to setting and screening colored lights must be strictly observed.

The B. and her cargo having been lost by the collision, and the S. damaged, and the owner of the S. having sued the owner of the B., and the owner of the B. having sued the S., and the owner of the cargo on the B. having sued, in one suit, both the S. and the owner of the B., the decree was, that both the B. and the S. must contribute to the whole loss; that, if, on ascertaining the

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whole loss, the contribution due from the S., to the fund, over and above her own loss, should be sufficient to indemnify the owner of the cargo on the B., it should be applied to that purpose; and that, if not, the parties would be heard, on the question as to by whom, if by any one, the deficiency should be made good.

(Before WOODRUFF, J., Eastern District of New York, February 25th, 1873.)

WOODRUFF, J. The appeal, in these cases, is by the owners and the mortgagee of the steamship Santiago de Cuba, which was held, in the District Court, (4 *Benedict*, 264,) to be the guilty cause of a collision with the steamer Brunette, on the night of the 1st of February, 1870, at about ten o'clock. The Brunette and her cargo were totally lost. The owners of the Brunette libelled the Santiago de Cuba, the owners of the latter vessel sued the owner of the Brunette, and the owner of the cargo of the Brunette sued, in one suit, the Santiago de Cuba and the owner of the Brunette.

Certain facts, either alleged and not denied, or proved without material contradiction, may be stated as a basis of the inquiries by which these cases are to be decided. The Brunette was on her passage from New York to Philadelphia, and was pursuing her course south half west, at a speed not less than nine, and not exceeding ten, miles an hour, about four miles off the coast of New Jersey, near, or opposite, Squam Inlet. The Santiago de Cuba was on her passage from Havre to New York, and was pursuing a course northwest by north, at a speed of about six miles an hour, (described by the witnesses as half speed.) The Brunette saw the Santiago de Cuba off her port bow. The Santiago de Cuba saw the Brunette off her starboard bow. It is obvious, that the courses of the two vessels must cross each other at some point either ahead or astern of the Brunette. The fact of a collision occurring some time after the vessels came within sight, makes it certain, that the point of intersection of the two courses was ahead of the Brunette. A collision occurred. The Santiago de Cuba struck the Brunette near midships, and the injury to her was so great that she sank, with her cargo, and two of her seamen were lost. No change was made in

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the course of either vessel, which affects the statement thus far made, and neither vessel slowed or slackened speed. They came together with full headway on: but, the blow given by the Santiago de Cuba was nearly direct, (at right angles to the keel of the Brunette,) inclining, however, about one point forward or towards her bow. The inclination of the blow shows, and the proofs also establish, that, before the collision, the Santiago de Cuba had changed her course to the westward; and the proofs also show, that the Brunette had sheered slightly to the west. The proofs are conceded, by the counsel for the appellants, to show, that, at the moment of collision, the Santiago de Cuba was headed west by north, and the Brunette south southwest.

It follows, from this statement, that the Santiago de Cuba, being on a course which crossed the course of the Brunette ahead of the latter, and having the Brunette on her starboard side, was within the fourteenth of the Rules of navigation prescribed by Congress, (*Act of April 29th, 1864, 13 U. S. Stat. at Large, 58,*) and was bound to keep out of the way of the latter vessel; and that the Brunette was, by the eighteenth of the said Rules, bound to keep her course. The Brunette observed this latter Rule, until the peril became imminent. I think it clearly established, that it was not until the collision became, in a very high degree, probable, that she ported her helm and sheered a point and a half to starboard. It was a struggle to escape, made at the last moment, and when she saw that the Santiago de Cuba, whose duty it was to avoid her, and whom she was bound to leave at liberty to avoid her, unembarrassed by any movement on her part, had failed to do so, and collision was impending. It is true that one witness (Ross) expresses the opinion, that, if she had not ported, the collision would not have happened; but, apart from the qualification of his testimony, due to various circumstances impairing confidence therein, I deem the position, course and speed of the vessels, at that moment, to show, that it was a measure adopted when "in the jaws of the peril," justified by the circumstances, and tending, in some slight degree, to

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increase the chances of escape. At the most, it could only be an error of judgment, in a moment of great danger; and, if that danger was not caused by her fault, she is not prejudiced thereby, unless her duty to slow, stop and reverse had become apparent, at a moment when it might have been useful, which will be hereinafter adverted to.

The Santiago de Cuba was, therefore, under the full pressure of the Rule which required her to keep out of the way of the Brunette, and the Brunette was not bound to depart from her course. Indeed, if she had done so, and a collision had ensued, it would have been imputed to her as a fault. The Santiago de Cuba could have successfully claimed, that she had her choice of means of avoiding collision, and that the means chosen were thwarted by the Brunette's failure to keep her course, as required by Rule 18, before referred to. Why, then, did not the Santiago de Cuba avoid the Brunette? The Rule required her to do so, and she did not. The actual position and course of the vessels required her to do so, and yet she did the contrary. The presumption of fault is against her. The Brunette may properly rest on the actual position and course of the vessels. The burthen is, therefore, on the Santiago de Cuba, of excusing herself from actual conformity with the Rule. She, *prima facie*, took the hazard of the success of any effort she made to avoid collision. She knew that she had the Brunette on her starboard side. All her witnesses agree in this. If she knew, or had reason to believe, that her course crossed the course of the Brunette, as, in fact, it did, then she can have no sufficient excuse. Her responsibility and duty were complete and final. In that condition of things, all the proofs, and all the arguments of counsel, addressed to the questions, how long before the collision the master and crew of the Brunette saw the Santiago de Cuba, whether their lookout was diligent, and the like, are not important, so long as it appears that the Santiago de Cuba was seen in sufficient season for any manœuvres which it was the duty of the Brunette to make, and that she kept her course until the danger was immi-

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nent, and then only departed slightly, in the vain hope of averting the consequences of the near approach of the other vessel.

The pressure of the duty to keep out of the way is felt by the owners and claimants of the Santiago de Cuba. A view of the actual course and position of the two vessels makes it so plain that the admitted starboarding of her helm, and falling off of her course, to the westward, was the cause of the collision, that there is, to my mind, no alternative but to say, that, unless her navigators, notwithstanding the exercise of reasonable vigilance and skill, were deceived respecting the course of the Brunette, she is wholly undefended and indefensible.

It is not a little remarkable, that, in this case, the parties, libellants and claimants, and the witnesses on behalf of each, give such a statement of the position and course of the vessels, when sighted, as, if true, makes it certain, that, if each vessel had kept its course, no collision could have occurred. Thus, from the Brunette, the libel of her owner, and her witnesses, say, that, while she was on her course south half west, at a speed of nine miles an hour, she saw the Santiago de Cuba three miles distant, three points on her port bow. The course of the Santiago de Cuba was northwest by north, and her speed six miles an hour. If this be true, then, had each vessel kept her course, the Brunette would have passed the point of intersection of the courses long before the Santiago de Cuba could have reached it. The Brunette, going at much the greatest speed, had less than one-fifth of the distance to go which the Santiago de Cuba must traverse, to reach that point. And, no small allowance from precise accuracy of statement (due to imperfect observation) will change this result. It is, however, quite pertinent to observe, that, assuming the proximate accuracy of the statement in the libel, and of the witnesses from the Brunette, the actual manœuvres of the Santiago de Cuba, proved by her own witnesses, would bring the vessels into collision as they in fact collided. On the other hand, from the Santiago de Cuba, the answers, and

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the libel of her owners, and her witnesses, state, that, while she was on her course northwest by north, at a speed of six miles an hour, she saw the Brunette, then distant about three miles, three to four points on her starboard bow. The actual course of the Brunette was south half west, and her speed nine miles an hour. Now, if this be true, it is perfectly certain, that, had each vessel kept her course, the Santiago de Cuba would have crossed the course of the Brunette, passing the point of intersection long before the Brunette could have reached it. For, in such case, the Santiago de Cuba had less than one-fifth the distance to go which the Brunette must traverse to reach that point. Nor, in reference to either of these statements, is the distance given, three miles, very material, for, in each case, whether the distance apart be greater or less, the relative distances of the vessels from the point of intersection would be in the same proportion to each other.

This, however, is not the only criticism due to the statements made on behalf of the Santiago de Cuba. If the facts had been as set up in the libel and answers on her behalf, and as testified in her favor, that is to say, if, running at a speed of six miles an hour, on a course northwest by north, she saw the Brunette three or four points off her starboard bow, (which would be due north, or north by east, of her,) the Brunette being on a course south half west, at a speed of nine miles an hour, it would have been impossible to bring the vessels into collision by changes of course which headed the two vessels in the directions in which they are conceded to have been at the moment when they collided, without imputing to the Brunette an earlier change of course than can be reconciled with the testimony.

What, then, is the excuse of the Santiago de Cuba for not avoiding the Brunette? Obviously, the excuse must be one which justifies her in starboarding her helm, and falling off to the westward, into the track of the Brunette; and the excuse alleged is, that, when she saw the Brunette, she saw her white and green lights, and those only. This indicated that the latter was passing her on her starboard; that each, therefore,

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had the other on her own starboard ; that this was a position and course of entire safety ; that each might, therefore, keep her course, without any reason to apprehend collision, for, in this relation of the vessels to each other, their courses could not cross ; that, with green light to green light, no precautions were necessary ; and that, with those appearances before them, the starboarding and falling off to the west was giving the Brunette a wider berth, not, indeed, called for, but in no wise objectionable, while, on the other hand, under those circumstances, to port and go to the eastward would have been palpably wrong, a plain running after the Brunette, an attempt to reach her course when entirely away therefrom, and in no danger of meeting her, a clear departure from safety, and a seeking of peril. If there was no other fact than what is contained in this alleged excuse, bearing on the movements of the Santiago de Cuba, it would be difficult to say that she would not have been justified in either keeping her course or falling off to the westward ; but, other facts must be brought into view, before we pronounce her excuse sufficient.

First, it is to be observed, that the appearances testified to, and which are claimed to have misled her, assume that the red light of the Brunette was not visible from the Santiago de Cuba, for, if it was, the indication was that they were approaching end on or nearly so, and the Santiago de Cuba should have ported and gone to the right. Next, they assume that the green light of the Brunette was seen across her own port bow, which was, on her part, a violation of the rule respecting the setting and screening of lights. Let this be assumed, and test its proper influence on the navigation of the Santiago de Cuba, when the actual position, course and speed of the Brunette are brought into connection therewith ; and, in order to give the Santiago de Cuba the full benefit of her claim, let it be granted, (contrary to the conclusion of the Court below,) that she actually saw the Brunette's green light three or four points on her port bow, three miles distant, as her witnesses testify. What must inevitably be the result, if she observed it continuously, or even long enough to form any rational judgment ?

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Herself going northwest by north, six miles an hour, the Brunette approaching on a course south half west, at nine miles an hour, that green light must and did close in rapidly on her bow. This is certain. Had the Brunette been, as those on the Santiago de Cuba profess to have at first supposed, and as the appearances indicated, passing to the eastward, that green light would have opened more and more, till it passed abeam. That is equally certain. Not the ten or more minutes they had the Brunette under view, but a much less number of minutes, would have taught them, that whatever bore that green light was approaching rapidly, and that they were crossing its course. In fact, it did close in upon their very bow before the collision, and yet they persisted in their turn or swing to the westward. According to their own account of the circumstances, they had abundance of time to discover, by the actual changes in the bearing of the lights, that they were running into danger. They are, therefore, reduced to this alternative—they did not keep a proper lookout, and see the Brunette so soon as they ought, (which was the conclusion of the Court below); or, they suffered themselves to be too long misled by the appearance of the Brunette's green light, and failed to take the precautions which a proper observation of its approach, and its closing in upon their bow, would have suggested. But, what is, under these circumstances, especially plain, they wholly neglected the precaution which the sixteenth of the Rules of navigation, as well as the dictates of ordinary prudence, required of them. That Rule is peremptory, and cannot, I think, be too rigorously insisted upon, namely: "Every steamship, when approaching another ship, so as to involve risk of collision, shall slacken her speed, or, if necessary, stop and reverse." Now, however misled, in the first instance, by the green light of the Brunette, the testimony from the Santiago de Cuba shows, that she had time to observe, and did observe, the constant drawing nearer and nearer of the two. Whether the Brunette was or was not in fault, her changing bearings from the Santiago de Cuba certainly showed risk, and great risk, of collision; and yet the

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Santiago de Cuba made no effort whatever to slow, stop or back. The importance of this fault is intensified, when it is seen, that, in the actual position of the vessels, the Santiago de Cuba was coming upon the other, and that a retardation equivalent to a delay of less than ten seconds would have cleared her.

I cannot, upon all the evidence, resist the conclusion, that the Santiago de Cuba was in fault, first, in not making seasonable and correct observation of the situation of the Brunette, in not properly observing her approach, in continuing to fall off to the westward, when proper skill and attention would have taught her, although misled in the first instance, that that course was running into danger, and in not slowing, stopping and backing when the danger became clear and obvious. True, one of the witnesses in this Court states, that a signal to stop was given; but, if he tells the truth, he concedes it was not until it was too late to be of any use, and the engineer testifies that he received no such signal before the blow.

It does not, however, follow, that the Santiago de Cuba is alone responsible for this collision. The proof seems to me to establish, that those in charge of the Santiago de Cuba were actually misled by the improper exhibition of the Brunette's green light; and, if so, then, although it be true that an attentive observation of its motion and its approach might have enabled the Santiago de Cuba to discover her error, yet this does not exonerate the Brunette, when it is shown that she led the other vessel into the error, and so invited the very manœuvres which proved so disastrous.

It should be borne in mind, that the rules of navigation, whether by statute or the law maritime, are founded in regard for property and life, and in that public policy which demands their protection; and that a disregard of those rules is not to be justified, or the proper penalty therefor evaded, on the mere ground, that, if the other party had not also failed in duty, no harm would have resulted. Hence, where there is concurring fault on both sides, both contributing to injury and loss, a Court of Admiralty visits the consequences upon both.

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Is it, then, shown, that the lights of the Brunette were improperly set, and did that operate to mislead those who were in control of the Santiago de Cuba? The Rule (*Art. 3 of the Act already cited*) requires, that the lights, (both green and red,) "shall be so constructed as to throw an uniform and unbroken light over an arc of the horizon of ten points of the compass, so fixed as to throw the light from right ahead to two points abaft the beam." * * * "The said green and red side lights shall be fitted with inboard screens, projecting at least three feet forward from the light, so as to prevent those lights from being seen across the bow." Here is no permission to allow the range of the two lights to cross at the bow, nor in fact to cross at all. In practice, it is, no doubt, true, at least, it is often so testified, that, at long distances ahead, both lights can be seen on a vessel approaching; but this Rule recognizes no necessity for the crossing of the lights anywhere. It requires that each shall be so screened, that it can be seen only from right ahead, and that it cannot be seen across the bow. Here, the testimony of the owner of the Brunette, while it does not admit that the range of the lights crossed at the bow, does concede that they crossed at some short distance ahead; but, the other witnesses from the Brunette warrant the inference that they did cross, so that a man standing forward, and inside the bow itself, could see both lights, by the mere turn of the head towards each, and their testimony is not inconsistent with the facts testified by the witnesses from the Santiago de Cuba on that subject; and, I may add, that the testimony of witnesses to what they actually saw, is, if they are credible, of more weight than the opinions or retrospective judgment of any witness. Five witnesses, the officer of the deck, the quartermaster at the wheel, the ship's carpenter, and two seamen on the lookout, all testify, unqualifiedly, to seeing the green light of the Brunette. Their reasoning on the subject, and conclusion that the approaching vessel would pass to their starboard, and their actual starboarding on and after seeing the green light, to give her a wider berth, tend to confirm their statement. I cannot

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conclude that they are, in this, all perjured witnesses, nor can they, I think, be mistaken. Their words and their acts concur herein; and the proofs from the Brunette itself make the truth of their statements not only possible but probable. If, now, the testimony given in behalf of the Brunette, on her libel itself, be taken as true, in respect to the position and course of the vessels, it becomes certain, that the range of the Brunette's lights crossed her bows; and the obliquity was much greater than the recollection of her owner suggests. Thus, her libel states, and her witnesses testify, that the Santiago de Cuba was seen three points off their port bow. As already shown, in considering the faults of the Santiago de Cuba, that statement is not greatly erroneous; and yet, the green light of the Brunette was seen from the Santiago de Cuba then, or very soon after, and when the vessels were at a distance apart quite sufficient for any manœuvre which the appearances called for; and, influenced thereby, the Santiago de Cuba was turned, first slightly, to the westward, but for which the collision could not have occurred. The observations made in the case of *The North Star*, (8 *Blatchf. C. C. R.*, 209, 218, and onward,) are apt to this case, on that point. Indeed, on more than one point, the observations in that case have a significant bearing on the present.

This rule in regard to setting and screening the colored lights cannot be too highly valued, or the importance of its exact observance be overstated. Better far to have no side lights, than to have them so set and screened as to be seen across the bow. In that situation, they operate as a snare, to deceive even the wary into error and danger; and, in the present case, I confess, that, were it not very clear, that the Santiago de Cuba did not exercise all the diligence which was due, I must have held this the actual and sole cause of collision, subject only to such observations on the duty to slow, stop and back as the circumstances called for. In this view, I do not stop to consider whether the Brunette's red light was hidden from view by the flow of her stay-sail, or whether it was or was not seen from the Santiago de Cuba till the in-

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stant before the collision. It is possible that it might have been so hidden; but, whether it was or not, I have, upon other grounds, held the Santiago de Cuba in fault, in not making more diligent and more accurate observation upon the position and course of the Brunette; and no determination of the question, whether the sail hid the red light, will change the fact, that the green light was seen across her bows, and misled the officers of the Santiago de Cuba as to her course.

Nor am I satisfied that the Brunette, in not slowing, stopping and backing, was not herself in like fault with the Santiago de Cuba. If, instead of porting her wheel, when she saw the danger, she had done this, and, especially, if, besides and before porting, she had slowed, stopped and reversed, it is greatly probable that no collision would have happened. True, under the general rule, she was entitled to keep her course, but the time did come when she saw danger of collision, and when the rule, that "every steamship, when approaching another ship, so as to involve risk of collision, shall slacken her speed, or, if necessary, stop and reverse," became applicable to her, also. She did see the danger. She did port, in order to escape. If, in due season, she had slowed, stopped and reversed, it is hardly possible that the two would have collided. A delay equivalent to a few seconds would have permitted the Santiago de Cuba to go clear. As already observed, these Rules are not framed as the mere rule of obligation between the two colliding vessels. They are not based upon the idea that one may say to the other—you are in fault, and I will, therefore, do as I will. The interests of human life and the protection of property demand, that, in circumstances of peril, the dictates of the highest prudence, and, especially all just and peremptory rules of precaution, shall be observed by both, and their disregard shall bring both under condemnation. Had the Brunette made even an ineffectual endeavor, it would have been credited to her, but, on the contrary, she rushed, without any effort to check her, full speed, upon the destruction which she encountered.

The Anna.

The decree, in each of the cases founded upon this collision, must proceed upon the basis of contribution, by both the Brunette and the Santiago de Cuba, to the whole loss. If, upon the ascertainment of the whole loss, the contribution due from the Santiago de Cuba, to the fund, over and above her own loss, shall be sufficient to indemnify the owner of the cargo of the Brunette, it shall be applied to that purpose. If not, then the owner of the cargo shall be at liberty, on the ascertainment of the fact, to apply to the Court for further decree or direction, or, if counsel prefer, I will hear them further on the question, by whom, if by any one, the deficiency shall be made good.

John E. Parsons, for the owner of the Brunette.

Thomas E. Stillman, for the Santiago de Cuba and her owners.

Charles Donohue, for the owner of the cargo of the Brunette.

THE ANNA.

A vessel, having been in collision and injured, was abandoned by her master and crew, as sinking, about twenty miles to the eastward of Sandy Hook. She was afterwards discovered by another vessel, and brought safely into New York, with her cargo. The value of the saved vessel and her freight and cargo was \$84,589 06. The District Court allowed \$6,000, as salvage, which included \$600 paid by the salvors to a tug, for towing the saved vessel; *Held*, that, on all the evidence, the allowance was not excessive.

The discretion of the District Court, in fixing the amount of salvage, is not to be overruled, when no principle of law has been violated, unless the error is very clear.

(Before WOODRUFF, J., Eastern District of New York, February 25th, 1873.)

WOODRUFF, J. The evidence shows, that the brig Anna, having come into collision with another vessel, at about 11

The Anna.

o'clock in the night of the 9th of April, 1872, and been injured, her master and crew, under the apprehension that she was sinking, escaped from her to the colliding vessel, and were brought into this port, to which she was bound. At the time of the collision, she was about twenty miles to the eastward of Sandy Hook, the night was very foggy, "the thickest," her master and owner testifies, that he ever saw, it was blowing hard, from the southwest, and she was under "close reefs!" Contrary to the expectation of her master and crew, she did not sink, but, in the morning, she was discovered by the master and crew of the brig Wiley Smith, tossed by the waves, driven off ten or fifteen miles further from Sandy Hook, and near to the Long Island shore, and in great danger of going on the Long Island beach, upon which, the master of the Wiley Smith says, she would have driven within an hour. The wind had somewhat abated, but it was still blowing fresh from the southwest. Perceiving that she was a vessel in distress, the Wiley Smith was hove to, and sent her mate and one of her crew on board, (the Wiley Smith having, in all, captain, mate, and four seamen,) and it was agreed, that the mate and man should remain on board and endeavor to save the injured vessel. They succeeded in getting her under sail, and directed her towards this port, and, after making some progress, were hailed by a tug, with the master of which they bargained for towage to New York, for six hundred dollars, and she was towed in. The Wiley Smith also arrived here in safety. The Anna was conceded to be of the value of \$7,500, though she was afterwards sold for less, and the net value of her cargo was \$25,589 06, and the freight was \$1,500, as was also conceded, making, in all, \$34,589 06. The libels herein being filed by the owners, master and crew of the Wiley Smith, for salvage, the District Court allowed to them the sum of \$6,000, (including therein the sum paid for the service of the tug.) The claimants of the Anna and her cargo have appealed to this Court, claiming that the allowance is excessive.

The discretion of the District Court, in fixing the amount

The Anna.

of salvage, is not to be overruled, where no principle of law has been violated, unless the error is very clear. The amount allowed is, no doubt, liberal, if the time and service by the Wiley Smith, or even her danger, were alone considered ; while, on the other hand, considering the state of the weather, the probable destruction of the Anna, the diminution of hands on the Wiley Smith, the hazard of her own insurance, and the importance of the service to the owners of the Anna and her cargo, it does not seem to me extravagant. Very true, she might possibly have been saved by other means. Possibly, her master, on arriving in New York, in the morning, might have gone, or sent a vessel, in search of her, and, perhaps, have procured one for a much less compensation. But this is a mere conjecture. He and his crew had left her, believing that she was sinking, and it does not appear that they thought otherwise, until they saw her under sail, in the hands of the finders. That, whether regarded as finders of a derelict, or salvors of a vessel being driven on shore, the libellants are entitled to salvage, is not, and cannot be, denied. To this it is not necessary to cite the authorities, numerous as they are on that point.

A narrow and inadequate appreciation of such services as were here rendered would not sufficiently encourage vessels and their crews to depart from their own voyage, to save the property, and, as the case may be, the lives of others. Confessedly, the share of the property allowed is greatly less than the early practice of Courts of Admiralty would have sanctioned, and, in the changed condition of navigation, it is properly so ; but, I do not feel warranted in saying, that the share allowed, (but little over one-sixth,) is so great, that this Court should reduce it.

Let the libellants have a decree for the sums awarded, with costs.

William R. Darling, William W. Goodrich, and Charles Donohue, for the libellants.

Townsend Scudder, for the claimants.

The Atlas.

THE ATLAS.

A collision occurred between the steamboat A. and a boat in tow of the steam-tug K., in the night, in the Kills. A libel was filed, in the District Court, against the A. alone, to recover for the damages. That Court held both vessels in fault, and awarded to the libellants, against the A., only one half of such damages. Both parties appealed: *Held*, that the decree was right.

The K. was held in fault for not porting, when meeting the A. nearly end on, and for starboarding, and crossing the course of the A., and for not slowing and stopping.

The A. was held in fault for not having a lookout, in view of her speed, such want of a lookout having contributed to the collision.

It ought to be clear that the want of a lookout has wrought no mischief, before it can be excused.

The A. and the K. being both in fault, if both had been sued, each would have been held liable for one half of the damages; and the libellant cannot, by suing the A. alone, deprive the A. of any rights she has in that respect.

Both parties having appealed, no costs of appeal were allowed.

(Before Woodruff, J., Eastern District of New York, February 25th, 1878.)

THIS suit was brought in the District Court, against the steamboat Atlas, to recover for the damages sustained by the loss of a boat in tow of the steamtug Kate, through a collision between such boat and the Atlas. That Court held both the Kate and the Atlas to be in fault for the collision, (4 *Benedict*, 27,) and awarded to the libellants, against the Atlas, one half of the damages reported. The claimants appealed from the decree, to this Court, on the ground that the Atlas was not in fault, and the libellants appealed on the ground, that the Atlas was wholly in fault, and the Kate not at all in fault, and that, even if both vessels were in fault, the decree was wrong in not awarding to the libellants a decree against the Atlas for the whole damages reported.

Thomas E. Stillman and *Charles Donohue*, for the libellants.

Charles F. Sanford, for the claimants.

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WOODRUFF, J. Without going into the detail of the evidence in this case, it must suffice to say, that the negligence and mismanagement of the persons navigating the tug-boat *Kate* are fully established. On the testimony of the witnesses called from her by the libellants, that mismanagement was so gross as to admit of no excuse or palliation. Her own seamen, as well as the master of one of her tows, prove, that, putting out from New Brighton on Staten Island, bound westwardly, up the Kills, she had crossed diagonally towards the New Jersey side, and had passed the middle of the Kills, and taken her course westward, still slightly quartering on the New Jersey shore. The witnesses generally say she was two-thirds over towards the New Jersey shore. Some make it from one-half to two-thirds over, and one of her hands says she was within one hundred yards of the New Jersey shore, which was more than two-thirds of the whole distance. She was proceeding up the Kills, when the steamboat *Atlas* came from the other direction. All of the witnesses agree, that the *Atlas* was running in, or very nearly in, the middle of the Kills. This, if true, shows, that there was an erroneous assumption in the opinion of the Court below, namely, that the *Atlas* had the *Kate* and her tows on her starboard side. It proves the contrary. This is not all. Every witness from the *Atlas* testifies, positively, that they sighted the *Kate* and her tows, or so many of them as they saw, on their port or larboard side. They are not contradicted by other witnesses, nor by any facts or circumstances not in harmony with their statement. I must regard that fact as proved beyond any doubt, and corroborated by the testimony from the *Kate* herself. It was, therefore, erroneous to say, that the rule of navigation placed upon the *Atlas* the burthen and duty of keeping out of the way of the *Kate*. But, if the *Atlas* had been within the operation of that rule, it would in no wise save the *Kate* from the imputation of gross fault and negligence; for, the same rule required her to keep her course, which she did not do nor attempt to do.

The Kills are narrow, not so narrow but that the vessels might pass each other, with great ease, in safety, but so nar-

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row that vigilance and care were due from both vessels, and in the night season especially, and the pressure of the proper rules of navigation was more than usually stringent. In the course and direction of the two vessels, it is possible, that, if neither had done anything, they would have passed without colliding. Such is the opinion expressed by some of the witnesses; but, it is clear, I think, that their approach to each other was so nearly end on as to bring them under the rule which required each to pass to the right. In accordance with that rule, the Atlas ported, and signified her conformity to the rule, by one whistle. The Kate disobeyed the rule. She assumed to say, that she would go to the left, across the bows of the Atlas. She had no right to do this, upon any ground. The proof as to the depth of the water shows, that the suggestion that it would have been imprudent to draw a few feet nearer the New Jersey shore is a mere pretence; but, if not, then, surely, she had no right to assume, that, in the short interval following her two whistles, the Atlas, which was acting in obedience to what the Kate knew to be her duty, could herself go there in safety, and in season to avoid her. If, in the judgment of her master, it was not prudent to incline more to starboard, she should not have gone the other way, but should instantly have slowed, and, by signals indicating inability to conform to the rule, notified the Atlas of that judgment, thus leaving the Atlas the benefit of her own porting, and enabling her to pass, as, according to the evidence, she would, to the southward of her. If the Atlas had then failed, the Kate would, at least, have been free of the charge of thwarting her endeavor by her active misconduct. But, her blowing of two whistles was a double assurance to the Atlas, first, that the Kate was about to cross to the southward, and, also, that, in the judgment of the navigator of the Kate, it was proper for the Atlas to arrest her swing to starboard and go to port. Instantly putting her wheel to starboard, the Atlas rang to slow, stop and back, and it was done, but too late to avoid the collision.

It is said, that the Kate, on her starboard wheel, had

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swung but little to the southward, across the bows of the Atlas. It was to be expected, that her witnesses, in view of the manifest fault in that manoeuvre, and in the endeavour which, in obvious concert with the libellants, they make, to exonerate the tug, would be tempted to make this representation. The proof in relation to their lights, greatly preponderating against them, further tends to impair confidence in their testimony; and, in any view, it is clear, that their movement to the south—to their left—whether greater or less, and their wholly unwarranted arresting the southerly movement of the Atlas, were the fatal and inevitable causes of the collision. On the other hand, the instant the two whistles were blown by the tug, the Atlas did all that it was possible to do to avoid the consequence of the mismanagement of the latter, namely, stopped and backed, and, by starboarding, made the best effort to turn, (under some headway,) to pass by the stern of the tug, then on her swing to the southward.

The case is, therefore, this: The vessels were approaching nearly end on, the tug already on the port bow of the Atlas. Every rule of navigation required them to pass to the right of each other—port to port—and their position and courses were such, that, even without change by either, they would have passed clear. If the tug could not have inclined further to her right, she could, at least, have refrained from a movement in direct defeat of the intention of the Atlas to conform to the rule and pass to the southward. Instead of doing either, and without stopping, or even slowing, she turns across the course of the Atlas, to the left, and, by her signal, apprises the Atlas she was doing so, thus arresting and thwarting the proper movement of the Atlas, and placing herself and her tow in the way of the latter. To the tug there was no proper confusion of signals. She herself needlessly created it, by her two whistles, and yet did not even slow. The Atlas gave the proper signal and made the proper change, and, on the instant the two whistles, improperly blown by the tug, apprised her of the faulty movement of the latter, she stopped and reversed, and did all that was possible to avoid collision. Had

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the tug ported, or, even, had she done nothing, the Atlas was passing to the right of her, and would have passed with entire safety to both. In this state of the case, the collision was clearly and chiefly owing to the mismanagement and fault of the tug.

If it were material, I should say, that the large preponderance of the evidence is, that the tug had not, at the time, proper lights. The proofs greatly impair confidence in the witnesses whose testimony tends to the contrary; and the uniform testimony of the other witnesses is, that no lights on the Kate were visible, save, perhaps, one very low, either near her deck—possibly there—or, possibly, at the rear end of her hawser, on the staff of one of her tows. But, however great this fault, and though clearly subjecting her to liability, if the want of sufficiently early sighting of the vessels by either had been the cause of the collision, the observations already made show, that it was not caused so much by the want of her lights, as by her mismanagement, when each vessel had seen the other in full time for doing whatever it was proper each should do. Whether the Atlas would have seen her sooner if her lights were up and burning, or not, the proof is conclusive, that the lights of the Atlas were burning and bright; and the tug cannot claim, at all, that she had not the fullest opportunity and time for what she ought to have done. She can allege no hurry or unexpected approach of the Atlas, excusing the want of deliberation or judgment, or justifying her faulty mismanagement.

But, on the other hand, it was held, in the District Court, that the Atlas, also, was in fault, and that such fault on her part contributed to the collision. That she was in fault cannot be denied. Indeed, the counsel for the claimants hardly insists that she was acting in compliance with the statute requiring a lookout, (*Act of April 29th, 1864, Art. 20, 13 U. S. Stat. at Large, 61.*) She is not chargeable on the ground that her conduct after the tug was seen was not, in all respects, judicious and proper, and such as would have avoided a collision, if the tug had not improperly done what she did;

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but, on the ground that she ought not to have come down through the Kills, in the night, at the speed with which she was moving, without a lookout at the bow, vigilant in the performance of his duty. There is no evidence that her speed was itself an unusual or improper speed for such a night, where vessels without any light could be seen at a very considerable distance. Indeed, the evidence does not show what her speed was at the time. It is only claimed to be presumptively fixed by a computation based on the time when she left New Brunswick, and the distance she had run at the time of the collision. The proof also establishes, fully, that her own proper lights were set and were burning and bright.

She was, nevertheless, navigating the Kills without a proper lookout, in violation of the rules of navigation; and thereupon, the question arises—did her fault in that respect contribute to the collision? Upon that question there is room for doubt and difference of opinion. The claimants; with great plausibility, insist, and, I think, the testimony shows, that her officers did see the tug in season to do what it was the duty of the Atlas to do in order to avoid her, and in season to do what would have avoided the tug if the latter had conformed to the rules of navigation, by porting her helm, or, even, if she had done nothing. The claimants further insist, that the Atlas did, in fact, what she ought to, and would, have done, had she seen the tug at a greater distance, and however far off; that there was no danger of collision when the Atlas ported as the law required, and none, in fact, until the last moment, when the tug starboarded and threw herself in the way; that there was abundance of room to pass; that, had the Atlas seen the tug at a distance of a mile or more, she would have approached, and might properly approach, as she did, near the middle of the Kills, and, when drawing near, would have ported, to pass to the right, as the rule required; that this is just what she did do; that she would have signalled her intention to pass to the right, by one whistle; that this, also, she did; that, in either case, she would have passed in safety by, had not the tug violated every rule governing her situation, and thrown

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herself in the way ; that, at the very instant the intention of the tug to do this was signalled, the Atlas slowed, stopped and reversed, and made every possible effort to avert the consequences of the other's fault ; that she could not have known that intention any earlier ; that not one of the movements of the Atlas would have been earlier, nor ought it to have been earlier, or different, if she had had the tug under observation for a mile or more ; and that the measures to avert the consequences of the fault of the tug could not have been taken before that fault occurred.

There is much force in the argument of the counsel for the claimants on this point. The liability of the Atlas to contribute is not to be tested by the inquiry, whether she ought to have had a lookout, as an abstract question. Her want of a lookout is not to operate to release the tug from the consequences of her own fault. Such want of a lookout must be found to have contributed to the collision, or the fact is not material between these parties. Suppose, then, the Atlas had had a lookout, in the vigilant discharge of his duty, who had seen and reported the tug at a distance of a mile or more, and yet the Atlas had done just what she did do, and at the very time when, in fact, she did it, could it be said, upon the evidence, that she was in any fault ? This question is, at least, a doubtful one. (See *The Pennsylvania*, 4 *Benedict*, 257, and 9 *Blatchf. C. C. R.*, 451.) If she did what it was right to do, and this was done when and as it ought to be done, and her seeing the tug sooner would have only made it more certain, that, acting wisely and skilfully, she would do just what in fact she did, then, in truth, it would be difficult to say that her want of a lookout contributed at all to the collision.

But, this view of the responsibility of the Atlas proceeds upon somewhat dangerous ground. She was in fault. Although her speed, in itself, was not improper, moving at her ordinary and proper speed, in the night, without a lookout, was improper. Such a lookout might, certainly, have discovered the tug earlier, and would have a better opportunity to discover what she was and which way she was going. The

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evidence is, that, even without lights, a vessel could be seen, that night, at a much greater distance than the tug was seen. When, in fact the pilot saw and reported the tug to the captain, they were in doubt what the object in view was and what was its course. They did not see her at all until very near. Had a lookout been in the performance of his duty, their information would have been earlier and, presumptively, more full. The Act of Congress requiring a lookout assumes this, as the general rule. There would have been more time for observation and for deliberation, and I think that early measures by porting would have been taken, which would have tended to avoid the collision. This might even have prevented the faulty attempt of the tug to pass to the southward of the Atlas. The rule is a very important one, and it should be clear that its non-observance wrought no mischief, before it should be excused. It is difficult to avoid the conclusion, also, that such early sighting of the tug would have subjected the Atlas to the rule requiring her to slow, until it became clear that she could pass safely by. Early precaution is the most useful, and, it is safe to say, that, in such a channel, it was peculiarly important, that, by a vigilant lookout, the Atlas should be apprised, at the earliest moment, when this precaution was called for.

Upon the question raised by the appeal of the libellants, I am disposed to concur with the District Court, and upon the grounds assigned in the opinion there delivered. (4 *Benedict*, 27.) It is an interesting and important question. I add to what was said in that opinion: The Kate and the Atlas, upon perfectly well settled principles, were, for the reasons above given, bound to contribute to the loss. Had the libellants, instead of joining hands with the Kate, to visit the consequences upon the Atlas alone, brought both into Court, to be dealt with upon those settled principles, each must pay one-half of the damages to which the libellants were entitled, (unless, possibly, in cases supposable, both of the offending vessels were injured in such unequal degree that an equal apportionment of the loss would give rise to a different equity.)

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The libellants came into this Court with full knowledge of the rules governing Courts of Admiralty in cases of contributing fault. Those rules gave the Atlas rights of which the libellants could not deprive her, by electing to proceed against her alone. Even if it be conceded that the libellants, if contribution by the Kate could not be enforced, might then have recourse to the Atlas therefor—which concession is said to be called for by the decree made in the case of *The Washington and the D. S. Gregory*, (9 Wall., 513,) where the point does not appear to have been made, and where all that can fairly be said of the decision is, that the Court thought no wrong was done to the libellant by the decree—if, I say, such concession be made, it is still true, that the libellants, by proceeding in this Court, eminently a Court of equity, could not deprive the Atlas of the protection which results from such a provisional decree; and it is just and equitable that they be held to an election to take the contribution to which, with all the parties concerned before the Court, the Atlas would have been subjected. Upon the distinct authorities cited, and the reasons, also, given by the District Judge, and, also, because it is in accordance with what is equitable and just, the decree in this Court must proceed in affirmance of the decree appealed from, and award to the libellants the one-half of the damages reported. As both parties appealed, no costs of appeal should be allowed to either.

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A steamtug was towing two schooners lashed alongside of her, through Hell Gate. One of them, laden with coal, on freight, struck the rocks, and sank. The tug, being sued for such loss, set up, in defence, the arising of a violent wind, and the failure of the schooner that sank to anchor, when directed to, and the breaking of the rudder chain of the tug, and that the accident was inevitable. The libel specified no particular negligence in the tug, but alleged her negligence, generally, as causing the loss: *Held*, that the breaking of the rudder chain was the immediate cause of the disaster, that no excuse was

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shown, in respect of the violence of the wind, and that the tug was liable, the rudder chain having broken from an imperfection which might have been, and ought to have been, known.

The libellant sold the wreck. She was repaired by the purchaser. The actual time spent, in removing and repairing her, was thirty-one days. The Commissioner, in the District Court, reported, as damages, the cost of removing and repairing her, and the gross freight on the coal, for her whole voyage, and interest on those items, and an allowance for the value of the use of the vessel, during the thirty-one days, which he denominated "demurrage." Exceptions, by the claimant, to the allowance of the whole freight, and of the "demurrage," were overruled by the District Court. The allowance of the entire freight, not deducting anything for the time and expense incident to the completion of the voyage, was made by the Commissioner, as a set-off for the time which he supposed the libellant would have consumed in arranging to raise and repair the vessel, if he had not sold her: *Held*, that it was correct, not to allow as for a total loss, and not to allow the value of the vessel, less the proceeds of sale, and that, therefore, it was proper to allow for the loss of the use of vessel, while she was being removed and repaired.

Held, also, that, it not appearing what became of the coal, except that it was saved, the allowance of the full freight, on the principle of such set-off, was erroneous, because conjectural; and that the claimant, if he desired, should be allowed to elect, whether to enquire into the disposition of the coal, and into the actual loss of freight money, (the libellant being permitted to open the question of "demurrage," with a view to increase its amount,) or to waive such enquiry and the exception as to the allowance for freight money, in which latter case, the decree below would be affirmed, with interest, without costs of appeal.

(Before WOODRUFF, J., Eastern District of New York, February 25th, 1873.)

WOODRUFF, J. The libel herein alleges an undertaking by the master of the steamtug M. M. Caleb, on the 22d of November, 1870, to safely tow and pilot the schooner Baltimore, (belonging to the libellants, and then at anchor in the harbor of New York,) through Hell Gate to Riker's island; that the service was begun, and the tug, with the schooner on her port side and another on her starboard, had reached a place known as Negro Point, when it was discovered that the Baltimore was ashore on the rocks; that, after some time, she was got off, and the tug proceeded on, and had reached a point about off the sunken marsh, on Ward's Island, when it was discovered that the Baltimore was ashore on the rocks at that point; that the master of the tug immediately threw off the lashings, saying that the tug was itself aground, and he could

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render no assistance; that the Baltimore settled upon the rocks, and was so broken and damaged that she became a total wreck; that she still lies there, sunken, and her fragments will not produce the sum of five hundred dollars; that, at the time, the libellants' vessel was controlled by, and under the management of, the said tug and those navigating her; that the master of the tug, instead of safely towing and piloting the said vessel, as he undertook to do, so negligently and carelessly behaved, in the premises, as to cause said damages; and that the said damages are, in no way, the fault of, nor were they caused by, the libellants, or their agents, but "were solely the fault of, and caused by, the negligent acts of those navigating the said tug M. M. Caleb." The libel also states, that the Baltimore had on board a cargo of coal, received at Philadelphia, to be transported to Boston, for an agreed freight, amounting to six hundred and eighteen $\frac{80}{100}$ dollars; that the Baltimore was of the value of six thousand five hundred dollars; and that the damages are the sum of six thousand dollars, for the vessel, besides the loss of the said freight, amounting to six thousand six hundred and eighteen $\frac{80}{100}$ dollars, besides interest.

The answer admits that the steamtug agreed to render her services in towing the Baltimore through Hell Gate, and took her in tow for that purpose. It alleges the commencement of a violent wind from the east, when opposite Astoria, which continually increased; that, when opposite Negro Point, the tug was unable to tow the two vessels, with the wind and tide as they then were, and her master requested both of the schooners to anchor; that those on board the starboard vessel did so, but those on the Baltimore neglected to comply with the request; that the anchor of the one schooner would not hold the tow, and they drifted towards the shore, till the Baltimore touched bottom; that the tug then separated from both, took the other vessel to a place of safety, then returned, drew off the Baltimore, and was proceeding with her towards a safe anchorage, when the rudder chain on the port side of the tug parted, and the tug became thereby unmanageable,

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and both drifted upon the sunken marsh on Randall's Island ; that the disaster was not caused by any careless, negligent, or unseamanlike act or conduct of those on board of the tug, or any of them, or because of any weakness or unseaworthiness in her, or by any means which it was possible for those on board of her to prevent ; but, that the same was caused, solely, by the negligent, improper, and unseamanlike conduct of those on board of said schooner Baltimore, in omitting to cast her anchors when requested to do so by those on board the tug, and by inevitable accident.

In the District Court, the libellants had a decree for their damages, and it appeared, on an enquiry into the amount, that the libellants sold the wreck, on the recommendation of the port wardens, after they had made an official survey thereof, and she brought the sum of seven hundred and thirty dollars, at public auction. She was taken off the rocks by the purchasers, her coal was taken out, and she was again sold. The purchasers at this second sale repaired her. The time actually spent in her removal, and in the actual making of repairs, was ascertained to be thirty-one days. The Commissioner reported, as damages, the cost of removing her from the rocks, the cost of making the repairs, (including towage to the place of repair,) the whole amount of freight, above stated, and interest on these items, and, also, an allowance for the value of the use of the vessel during the thirty-one days actually spent in her removal and repairs, which he denominated demurrage. On exceptions to the allowance of the whole freight, and to the allowance thus called demurrage, the District Court overruled the exceptions. From the decree thereupon this appeal is taken.

The ground upon which the decision proceeded in the Court below, as appears by the opinion of the District Judge, was, that the breaking of the rudder chain of the tug was the cause of the wrecking of the schooner ; that the breaking of that chain was owing to a palpable defect in the chain itself, the same being worn, weak, and insufficient ; that this was known to the claimant, when he took the libellants' schooner

in tow; and that it was manifest negligence to attempt to tow the libellants' schooner with such a chain.

In the report of the damages, the Commissioner gives a reason for allowing to the libellants the full freight money, as follows: "As to demurrage, I take into account only the time when the work of raising the vessel, and of making the repairs at Lissenden's yard, was actually being proceeded with, namely, thirty-one days. Some additional time would, of necessity, have been consumed in arranging for this work, if the libellants had undertaken to raise and repair the vessel, and, to offset, I have allowed the entire freight, without any deduction for the time and expense which would have been incident to the completion of the voyage."

The facts upon which the conclusion of the Court below was based are, I think, clearly established by the evidence. Even taking the narrative given in the answer of the claimant herein, the breaking of the rudder chain was the immediate cause of the disaster; and it is, also, plain, I think, that the wind which the tug encountered was not of such unusual or extraordinary violence as to excuse her. It was not an exigency which ordinary care and prudence did not require her to be prepared to meet, before she assumed the duty of conducting two other vessels through a difficult and dangerous passage such as Hell Gate; and, moreover, there is great force in the argument of the libellants, that if the gale was of so extraordinary a character as to form any excuse to her, then it was negligence and improper management in her not to seek shelter and safety before entering that channel, which she might easily have done. I think, also, the proof establishes that the chain was worn, weak, and insufficient for the service; and that the master of the tug had such knowledge of its condition as makes him chargeable with negligence in relying upon it. Besides, it was his duty to know it, when the defect was apparent on inspection, as it is proved it was. The claimant, however, insists, that, as this defect in the chain was not specified in the libel as a cause of the disaster, the evidence on that subject should be disregarded. The

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charge of negligence is, in the libel, very general. I think, that, if the libel had been excepted to, for want of proper specifications, such exception would have been sustained, and, had it been made specific without mention of the use of an insufficient rudder chain, the case of *McKinlay v. Morrish*, (21 How., 343,) would have gone very far to sustain the position of the counsel for the claimant here. But, even then, the neglect of the tug to come to anchor below would have been a serious hindrance to the exoneration of the tug.

The proof fails, wholly, to establish the only defences which are set up in the answer. The accident was not inevitable. Any attempt to urge that is met, at once, by the admission, that the rudder chain broke, and by the proof of its imperfection. The charge of negligence in the schooner rests solely on the statement that she was requested to anchor and neglected to do so. The proof makes it doubtful whether any such request was made, or attempted to be communicated to the *Baltimore*, and it shows, at least, that no such request was heard or understood by those on board the *Baltimore*.

The amount awarded for damages to the schooner was properly ascertained without reference to the value of the vessel, or the price for which the wreck was sold. There was no sufficient, proper evidence which would justify the libellants in claiming for a total loss; and, not having appealed from the decree, the libellants are concluded upon that question. On the other hand, the claimant not having excepted to the mode of ascertainment, nor to the amount allowed, it is not open to him to object thereto, on the appeal. In fact, as the amount is much less than would be awarded on the basis of a total loss, or a loss of the value of the vessel, less the proceeds of sale, it was not for the interest of the claimant to object thereto. The mode of ascertainment was, however, upon the evidence, correct, and it is material so to declare, because it bears upon the exception to the allowance for the use of the vessel during the time necessary for her removal from the rocks, and for the repairing of her injuries. Having

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been, in fact, removed and repaired, it was just to hold, that the vessel bound to make indemnity for the injury was in no worse condition than if the libellants had removed and repaired her; and, on the other hand, if the offending tug was not liable for the full value of the vessel, less the proceeds of the sale, then, surely, to ascertain their loss, it was competent to show the necessary cost of removing and repairing; and this, whether it was done or not, and by whomsoever done, was, at least, a just measure of the damage to the vessel, sustained by the injury. Hence, the enquiry on this point properly proceeded as if the libellants had themselves removed and repaired the vessel, and the fact of a sale became wholly immaterial. It necessarily follows, that an allowance for the loss of the use of the vessel during the time reasonably necessary for such removal and repairs, became a proper element in the assessment of the loss. Denying to the libellants the value of the vessel, they could not otherwise be indemnified. The exception to such allowance was, therefore, properly overruled.

The claimant also excepted to the allowance of the full freight which would have been earned by the completion of the voyage and the delivery of her cargo; and, on that subject, there is some embarrassment. The proofs do not show what became of the cargo. It was proved, that the coal was taken out of the schooner, but what was done with it does not appear. Did the owners of the cargo accept it, when taken out of the schooner, and so become liable for freight *pro rata itineris*? Or, did the libellants send on the cargo by some other vessel, and so become entitled to full freight? Or, was the cargo detained until after the schooner was removed and repaired, and (treating the libellants, as between them and the owners of the tug, as still having the control of the schooner,) might they have reladen the cargo, and proceeded on the voyage, and made delivery thereof, and received full freight? Upon these questions, no information is furnished, by the proofs. I greatly doubt, that further enquiry on this subject will be of any benefit to the claimants of the tug; but, I fail

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to see the propriety of what seems, in the report of the Commissioner, a conjecture, that what he might properly have allowed as further necessary time of detention for preparation for removing the schooner, is equal to any sum which could have been saved out of the freight money, by sending or carrying the coal to Boston, and that there might be a set-off based on that conjecture. There was no such proof. *Non constat* that the libellants did not receive freight. *Non constat* that they did not send on the cargo, as, I think, it was their duty to do, if practicable, and receive therefor full freight, in which case their necessary expenses of sending and delivering would represent their loss of freight. While, therefore, I am of opinion that the decree below was correct, in all respects, except in the matter of this set-off, I am compelled to say, that, if the claimant desires a further enquiry into the actual disposition made of the cargo, and into the saving which the libellants did make, or, in the due discharge of their duty might have made, out of the freight money, (permitting the libellants, at the same time, to open the question of allowance in the nature of demurrage,) he may have a reference to the Commissioner, to ascertain the further facts, and to determine thereupon the actual loss of freight by the disaster, and whether any and how much further loss is due to the greater time of detention for repairs, if any competent proof can be given showing that the allowance already made is not adequate. If the claimant should not desire such a reference, and shall, within twenty days, file his waiver thereof, and of his exception in respect to the allowance for freight, then, let the libellants have a decree for the amount awarded by the decree appealed from, with interest, without costs of this appeal. If no such waiver is filed, let an order of reference be entered. A preliminary or interlocutory order, in conformity with these directions, may be entered.

Franklin A. Wilcox, for the libellants.

James C. Carter, for the claimant.

The Narragansett.

THE NARRAGANSETT.

Two steamboats, the P. and the N., bound from New York, to go through Hell Gate, proceeded up the East River, the P. astern. On entering Hell Gate, the stem of the P., which was the faster boat, and the longer boat, had reached to a few feet in advance of the stem of the N.; the stern of the P. was not up to the stern of the N. The two vessels collided, and the P. was injured: *Held*, under Article 17 of the Rules in the Act of April 29th, 1864, (13 U. S. Stat. at Large, 61,) that the P., as the overtaking vessel, was bound to keep out of the way of the N., and that the P. was in fault, and the N. was not in fault.

(Before Woodruff, J., Eastern District of New York, February 25th, 1878.)

WOODRUFF, J. The steamboat Providence, belonging to the libellants, and the steamboat Narragansett, were freight and passenger boats, running from the port of New York, through the East River and Long Island Sound; the former to Newport and Fall River, and the latter to Stonington. The berth or dock of the former was at the foot of Chambers street, on the North River, and the berth of the latter was at the foot of Jay street, on the North River, two piers, or about four hundred feet, higher up the river. The hour of departure for both was five o'clock in the afternoon. On the 24th day of April, 1869, the Providence started about twenty minutes after five, and, when partly out of her slip, the Narragansett started from her slip above. They proceeded towards the Battery, the Narragansett astern of the Providence, but, on nearing the Battery, the Providence, meeting a tow and other vessels, took a broad circuit, down to near Governor's Island, and over to very near the Brooklyn wharves, and then took her course up the East River, still, however, near the Brooklyn shore. As the Narragansett, much the shorter boat, neared the Battery, an opening presented itself, and she swung around close to the Battery, and took her course up the East River near the New York side of the river. The Providence was the faster boat, when each was at full

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speed. The speed of neither, while making their turns and passing up to Hell Gate, is given with much precision, by the testimony, but it is clear, upon all the evidence, that, when they were opposite Thirty-fourth street, they were near each other, and the bow of the Providence lapped the after part of the Narragansett. There is great conflict, in the evidence, in regard to the relative position of the two bows before that time, as well as thence onward, until they were in Hell Gate; but, although the stem of the Providence was, while passing along Blackwell's Island, and on entering Hell Gate, a few feet in advance of the stem of the other boat, the testimony will not warrant the conclusion, that, in any part of that portion of their passage, the stern of the Providence was, at any time, up to the stern of the other. They entered Hell Gate thus, side by side, the stem of the Providence a few feet in advance, and to the starboard, of the Narragansett. In that dangerous, narrow and crooked channel, just after turning Hallett's Point, the Narragansett was drawn towards the Providence by what the witnesses call the suction of the latter, and her guards, at about midships, broke into the side of the upper works of the Providence, inflicting upon her the injury for which indemnity is sought in this cause. In the District Court, the libel of her owners was dismissed, and the libellants appealed to this Court.

There is evidence tending to show that the Providence unnecessarily crowded upon the Narragansett, where it was easy and safe to have kept off more to the starboard, and that the Narragansett was, in fact, as far to port as was safe, and further than was ordinarily prudent. It is, on the other hand, denied, that the Providence did not give the other all the room consistent with safety to herself. If it was at all material to the decision, I should be constrained to find, upon the evidence, that the Providence brought the injury upon herself, by needlessly crowding to port, and upon the other boat, and ought to bear the consequences. But, in truth, the boats ought not to have been in any such position, in so narrow and difficult a passage, among the rocks of Hell Gate.

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I concur fully in the opinion of the Judge of the District Court, which places the decision upon other and conclusive grounds. The decided preponderance of the evidence establishes, that the Providence, by her long circuit around, near Governor's Island and the Brooklyn wharves, was astern of the Narragansett, when the boats respectively straightened up the East River. She endeavored, and her somewhat greater speed enabled her, to come up with the other boat, so as to place herself in the position first above described; but, she at no time passed the other. She was, therefore, under the full operation of Article seventeenth of the Rules of navigation, enacted April 29th, 1864, (13 *U. S. Stat. at Large*, 61 :) "Every vessel overtaking any other vessel shall keep out of the way of the said last-mentioned vessel." It was her duty to keep out of the way of the Narragansett; and the next following Rule made it the duty of the latter to keep her course. True, it is not the duty of a faster boat to remain behind when she overtakes a slower one; but she takes upon herself the risk and hazard of passing. She must choose a safe and sufficiently wide place, where it may be done with safety to both, the slower vessel doing nothing to prevent, other than keeping her own course. It is not enough, that the faster vessel has so far succeeded as to come alongside, or even project her bow beyond the bow of the other, so as to make it probable that she will pass. If she does this and persists, she does it at her peril. The Rule has not then ceased to operate upon her. That Rule is explicit, and neither greater speed, nor an attempt to dictate to the other, will excuse her, if collision ensues. It is not necessary to enquire whether any rule of the supervising inspectors would relieve her, if she violate this express statute; for, here, it is proved, that no rule had, at the time of this collision, been promulgated, which is in conflict with this view. It is unnecessary for me to repeat the further views of the rights, the conduct or the duty of the two vessels, expressed in the opinion of the Court below. They are, I think, conclusive.

The Johannes.

Let the libel be dismissed, with costs, including costs of the appeal.

Abbett & Fuller, for the libellants.

Joseph H. Choate, for the respondents.

THE JOHANNES.

A barque, lying at a pier, fastened by chains which had held her there securely for three months, drew out a pile to which one of the chains was fastened, during a late period in a storm which had lasted two or three days, so that she swung around and against a tug lying near and injured the tug: *Held*, that the case was not one of inevitable accident, in a legal sense.

(Before WOODRUFF, J., Eastern District of New York, February 25th, 1873.)

WOODRUFF, J. The steamtug E. Palmer, belonging to the libellant, in the night of the 22d day of November, 1870, was lying in the slip between piers 50 and 51, East River, in the harbor of New York, fastened to other vessels, which lay between her and the bulkhead. The barque Johannes was lying along the southwesterly side of pier No. 51, the upper pier, with her bow near the bulkhead. She was fastened by a chain from her bow hawser hole to a pile on the dock, several feet within the bulkhead, a chain from about midships running aft twenty or thirty feet to a pile on the pier, and two other chains from near her stern to a pile on the pier a little aft her stern. In that position, and with those fastenings, she had lain from the previous August. Her chains, running obliquely lengthwise the vessel, permitted her to swing off and on three or four feet, according to the direction of the wind and the state of the tide. A northeasterly storm commenced a day or two prior to the 22d of November. It be-

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came more violent, blowing all the forenoon and afternoon of that day, and rising, at evening, to a heavy gale, at the same time bringing in an unusually high tide, which, the barque being light, lifted her high relatively to the pier, the vessel being "eighteen feet out of the water." At about nine or ten o'clock in the evening, the pile to which the forward chain was fastened, was, by the violence and force of the wind on the side of the vessel, and the direction of the strain on the pile, drawn out; and the bow of the vessel was swung around twenty or thirty feet from the pier. She was thereby driven against the tug-boat, which was, by the pressure, broken from her fastenings and driven against another vessel. To recover indemnity for the damage done thereby to the tug-boat, the libel herein was filed, and the libellant had a decree therefor in the District Court.

Such indemnity was properly awarded: and, although the testimony shows more than one offer by the libellant to accept a very much less sum in satisfaction, shortly after the injury, it is not claimed that the proofs laid before the Commissioner by whom the amount of indemnity was ascertained, did not justify his report of the sum awarded and decreed, namely, \$620 20. Although the swinging of the barque upon the steamtug was caused by the violence of the wind and the height of the tide, it cannot, with truth, be said that it was inevitable, in the legal sense of the term. Doubtless, the proof shows that the fastenings of the ship were sufficient to hold her in ordinary circumstances. The fact that she had lain there in safety, for three months, with just those fastenings and no others, shows this. But, the proofs go far to show, that a prudent judgment forbids that such longitudinal moorings, permitting her to swing out and in from the pier, with no breast line running crosswise to the pier, to hold her, should be relied upon. However this may be in ordinary weather, it is clear, that extraordinary exposure to violence demands increased care and precaution; and occasional storms and gales should be anticipated and guarded against; and, in that view, I think the balance of the testimony shows, that it

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was not proper to rely upon the fastenings which she had, and that a crosswise line, to hold her to the pier, was called for.

It is urged, as an excuse, that a chain could not be passed crosswise to the pier, and made fast to any pile thereon, so as to be of any avail, unless it was carried across the pier, to the side thereof most remote from the vessel, which, it is claimed, would interfere with the proper use of the pier itself; and that the vessel was so high out of the water, that a chain to the pile on the side of the pier opposite and next to the vessel would have drawn nearly perpendicularly thereon. It cannot, surely, be claimed, that any defect in the pier, or its facilities for making fast, furnishes an excuse to the vessel lying there, if insufficiently secured; and the addition of two chains or lines since the accident, one of them secured crosswise, as above suggested, while it does not show, or even amount to an admission, that the fastening was insufficient before, does show that additional fastenings were practicable. As forcibly suggested in the opinion of the Court below, those in the care of the vessel had abundant warning—such warning as should have awakened them to the highest vigilance, and even to the use of unusual precautions. If no other means were at hand, the running of a breast line across the pier, temporarily, or a line to the nearer pile, which, though nearly perpendicular when the vessel was against the pier, would furnish protection when and if the other lines permitted her to fall off a few feet therefrom, or both of these precautions, might have been adopted without difficulty or objection.

The claim of the appellant, that the steamtug was in the slip without lawful permission, or that her position was improper, if it be not wholly overcome by the evidence, will not avail. She in no wise interfered with the barque, or any opportunity or privilege to which she was entitled. She violated no duty which she owed the barque, in being where she was, and she was, therefore, entitled to all the protection which proper precaution against the breaking loose of the barque would afford her.

It was upon these grounds that a decree in favor of the

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libellant was awarded in the District Court. Upon the authority of *The Louisiana*, (3 Wallace, 164,) *Union Steamship Co. v. N. Y. and Virginia Steamship Co.*, (24 Howard, 307,) *The Petrel*, (6 McLean, 491,) *Lucas v. The Thomas Swann*, (*Id.*, 282,) and the principles there stated, the libellant is entitled to a decree, in affirmance of the decree below, for his damages and costs, with costs of the appeal.

Franklin A. Wilcox, for the libellant.

James K. Hill, for the claimants.

 THOMAS J. W. ROBERTSON

vs.

THE SECOMBE MANUFACTURING COMPANY. IN EQUITY.

The reissued letters patent granted to Thomas J. W. Robertson, December 12th, 1871, for an "improvement in hand stamps," the original patent having been granted to him September 22d, 1857, and extended for seven years from September 22d, 1871, are valid.

The introduction of a comma into the specification of the reissue, in a sentence found in the original specification, and alleged to be an interpolation, and to introduce a new idea, held to be accidental, and a clerical error.

A paper which the Commissioner of Patents had declared to form no part of a caveat, because it had been adjudged, by a commission appointed by him, to be fraudulent, and to have been surreptitiously introduced into the file of such caveat, held to form no part of such caveat.

(Before BLATCHFORD, J., Southern District of New York, February 27th, 1878.)

BLATCHFORD, J. This suit is brought on reissued letters patent granted to the plaintiff, December 12th, 1871, for an "improvement in hand stamps," the original letters patent having been granted to the plaintiff September 22d, 1857,

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and extended for seven years from September 22d, 1871. The reissued letters patent are granted for twenty-one years from the 22d of September, 1857. The specification says: "My invention relates to the construction of stamps for producing an impression, such as a postmark or other analogous device, a part of which requires to be frequently changed, such as the date, and part requires to remain the same, as the name of the post office. In order to give such stamps any considerable utility, the impression must be readily made, and that part of the type which requires frequent change must be always on hand. This result I secure by combining, in a hand stamp, fixed type for producing that part of the inscription designed to be always the same, and a series of combined changeable types, bearing the necessary characters to allow of any desired change, which shall be connected with, and form part of, the stamp. These types are connected and arranged to revolve in substantially the same manner as the combined types used in book-paging machines, but differing therefrom in having an arrangement by which the desired inscription may be printed repeatedly, without changing at each impression. Prior to my invention, dating stamps were made with loose types, book-paging machines were used with combined types in the form of wheels and chains, and machines for printing tickets, &c., had type wheels combined with permanent inscription forms; but, these last machines were so made as to produce the impression only on the under surface of the materials, and to change the type wheels at every stroke. So far as I am aware, no dating stamp was ever made previous to mine, with wheel type, or its equivalent, nor a fixed inscription plate or form combined with such type, in such a manner that the latter could be readily turned without changing the relative positions of the said wheels and permanent inscription, and yet be capable of printing simultaneously the combined inscriptions in a small space, as is necessary in cancelling revenue stamps; nor could an impression be readily made by such machines on the upper surface of the paper. My invention, therefore, consists, mainly, in the construction of a stamp

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in which combined changeable dating type are used in combination with a fixed inscription form or printing die, and in so arranging these parts in connection with a stem or handle, that the dating types may be easily changed and thoroughly secured, and that the impression may be readily made, in a small compass, on the upper surface of the material." The specification then describes the construction and arrangement of the parts of the stamp, with references to three figures of drawings annexed. There is a handle, to the bottom of which is attached a metallic forked shank. To the bottom of this shank is attached a metallic ring, said ring being secured to the shank by means of screw bolts. The lower part of the shank is also notched, in order to receive the ring and form a front bearing for it; but, it is stated that various other methods may be adopted, at the pleasure of the maker, for attaching the ring to the shank, and that, when the stamp is intended for a letter stamp, the name of the post office may be engraved on the face of the ring. A shaft passes horizontally through the shank. On this shaft are placed three type wheels, which revolve independently of each other, on the shaft. It is stated, that the faces of these type wheels may be provided, respectively, with "the names of the months, of the year, and also ten numerals." The shaft is arranged at such a distance from the face of the ring, that the three type wheels may be turned so that the types upon said wheels will come in line, or form a horizontal plane, with the types on the ring; and thus, when the face of the stamp is inked over by any suitable inking device, and the stamp duly pressed upon a letter, or other suitable substance, an impression will be left thereupon of the types contained on the ring, and also of those types of the three type wheels that are in line with the types on the ring. Only one line of types upon the type wheels can simultaneously come into a horizontal plane with the types on the ring, the remaining types being distributed around the peripheries of the type wheels, so that they cannot touch the paper on which the impression is to be made. A lock-pin passes horizontally through the shank, and also through the three

type wheels. The object of this pin is to lock the type wheels, so that, when any one line of types has been turned, and brought into a horizontal plane with the types upon the ring, such line of types will be held fast, and prevented from getting out of place. By removing the pin, the combination of letters on the type wheels may be changed at pleasure. The stamp shown in the drawings has the face of its ring made in circular form ; but it is stated to be obvious, that the shape of the ring may be changed to suit the pleasure of the purchaser, without changing the general construction of the stamp. It is also stated, that the type wheels and ring may be engraved with any suitable letters or figures, and that the device is particularly useful for stamping letters, tickets, &c., where the words or numbers have to be frequently changed. It is also stated, that, instead of the pin for locking the type wheels, small springs may be used, one end of each being attached to the shank, and the other ends pressing into the interstices between the lines of types upon the type wheels, and so made as to prevent accidental movement of the wheels in either direction ; and that, although either the pin or springs may be used separately for locking the type wheels, the patentee should prefer to use them in combination, as the springs may hold the day wheels in position when the month wheel is being turned, which the pin will not do, and, when the wheels are properly arranged, the pin may be screwed fast, and the wheels much more securely locked than by the use of springs alone. The claims are as follows : "1. In combination with a handle, and a series of printing wheels, or their equivalents, for printing dates, a fixed type form, or printing die, for dating purposes, substantially as described. 2. A hand stamp having a permanent inscription form or die, provided with an aperture through which the type wheels work, when so arranged that the said type wheels may be turned, for changing the dates, without shifting the fixed form or die, substantially as specified. 3. A hand stamp, having a series of type wheels provided with holes to receive a locking-pin, E, substantially as specified."

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The Patent Office, in examining the question of the novelty of the invention, on the application for the extension of the patent, which was opposed, referred to the English and American patents on the subject. There is an English patent of C. M. Hannington, in 1831, which has a series of type wheels pivoted on a shaft, and entering an opening in a plate, which plate has engraved or formed upon it, on one side of the opening, the date, and, on the other side, in a semi-circular form, "two pence." The type on the type wheels are figures or numbers. The article to be stamped is pressed down on the type by screw pressure. The object of the device is described as being for producing government, commercial, or law stamps, numbering documents, and stamping fabrics with number and date, to prevent fraud. It was a combination of type wheels for numbering, with a fixed type form for dating and printing; but it had no handle, and was not a hand stamp, and the impression was made on the under surface of the material. On an examination of all the prior patents, the Patent Office arrived at the conclusion, that type wheels for numbering and lettering were old; that type forms for stamping or printing the name of a post office, or other matter, were old; that type forms, combined with ordinary type for dating, were old; and that type wheels for numbering, (requiring the change of one or more type wheels at every stroke,) combined with type forms for dating and printing, were old. The conclusion of the Patent Office was, that there was novelty in using the type wheels for dating purposes, in combination with a fixed type form for impressing the name of a post office, or other matter, and a handle; and that this was a substantial improvement, in view of the numerous applications made, and patents granted, subsequently to the date of the Robertson patent, embracing such combination. The use of a handle, for holding the entire apparatus, enables the impression to be made by pressing the handle downward perpendicularly, carrying with it the apparatus, and enables this to be done by the hand, with great facility and rapidity, resulting in having the impressions made on the upper side of the ma-

terial, thus dispensing with the use of mechanical pressure to press the material down upon the type ; and, combined with this, is the facility of changing the date, when required, by turning the type wheels, without moving or shifting the fixed plate, while as many impressions of the same date as are desired can be had, and an impression from fixed type, in connection, can be had at the same time. No apparatus, presenting these combined features, is shown to have existed before the invention of Robertson. The utility, and, hence, the patentability of this new combination, is shown by the extensive demand for, and use of, stamps containing these combined features.

There is no foundation for the claim that the plaintiff abandoned his patent after it was issued to him. It is shown, that he used every effort within his power to introduce the invention into use, and it is not shown that he ever acquiesced in the infringement of his patent.

It is urged, that the reissued patent is not for the same invention as the original patent, and that there are material variations between the specifications of the two patents. The drawings of the original patent and of the reissue are identical. The description of the construction and arrangement of the apparatus, with the references to the drawings, is the same in the two specifications. The specification of the reissue contains a more full statement than the specification of the original patent did, of the state of the art, of the nature of the improvements developed in the patentee's arrangement, and of the advantages secured by the use of such improvements. This is entirely within the purpose and scope of a reissue.

It is contended, that the specification of the reissue describes a year dating wheel, not found in the specification or drawings of the original patent, and which is found in the defendants' stamp. The drawings, in both patents, show three type wheels, one of which appears to have on it the names of the months, in succession ; another, the three figures, 1, 2, 3, in succession ; and the third one, the nine figures, 1, 2, 3, 4,

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5, 6, 7, 8, and 9, and the cypher, 0, in succession. By the use of the three type wheels, any day of any month can thus be stamped. The specification of the original patent says: "The faces of these type wheels may be provided, respectively, with the names of the months of the year, and also the ten numerals." It also says: "The type wheels and ring may also be engraved with any suitable letters or figures." The specification of the reissue says: "The faces of these type wheels may be provided, respectively, with the names of the months, of the year, and also ten numerals." The document which reads thus is a printed paper, annexed to the reissued patent under the seal of the Patent Office. It also says: "The type wheels and ring may also be engraved with any suitable letters or figures." In the course of the testimony of one of the witnesses for the defendants, it is stated, that a printed copy of the reissued patent is put in evidence. Such printed copy is then copied in writing, and, in such written copy, the following language is found: "The faces of these type wheels may be provided, respectively, with the names of the months, of the year, and also the ten numerals." It is contended, that the patentee intended, by inserting a comma after the word "months," to introduce into his reissued specification the suggestion, that a type wheel, with a succession of figures upon it for the years, could be used; that the specification of the original patent has no such comma, and no such suggestion; and that therein there is a fraudulent interpolation. This view is not sustainable. There is nothing to show that the interposition of the comma was not an accidental or an arbitrary punctuation; and everything in the context and language shows that it was. Three type wheels, and only three, are shown or described. One has the months on it; and, if another has on it the years, and the third has only the ten numerals, only nine days in any month could ever be represented. There is no suggestion, in this connection, of four wheels, or that the third wheel shall have on it all the days of the month. The expression, "the names of the months of the year," is a sensible expression. The expression, "the

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names of the year," is a meaningless expression. The fact, that, in all respects, the descriptive part of the specification of the reissue seems to follow the language of the descriptive part of the specification of the original patent, and the further fact, that, in the specification annexed to the original patent, the words, "the ten numerals," are found, while, in the printed specification annexed to the reissued patent under seal, the words are, "ten numerals," and not "the ten numerals," would indicate, that the use of the comma after the word "months," is a clerical error, and purposeless, and improper. There was no need of making any suggestion of the use of a wheel for the years. The use of such a wheel, in the patentee's combination, was obvious, if desired, and was no invention, whether added, as a fourth wheel, or made one of three wheels, by putting all the days of the month on one wheel. The suggestion, in both specifications, that the type wheels could be engraved with any suitable letters or figures, covered the use of one of them for the years. It is well known, that, at the date of Robertson's patent, in 1857, it was not common, in the United States, to put on a post office stamp, for which, from his specification and drawings, his stamp would seem to have been especially designed, the figures of the year, or anything but the name of the month, and the figure or figures of the day of the month, and the name of the post office, as shown in the specification and drawings of the patent. Everything tends to show, that the use of the comma after the word "months," is not one to which any meaning or effect can be attached.

The claims of the reissue are fully warranted by what appears in the text and drawings of the specification of the original patent. It is urged, that the original specification says nothing as to printing "dates," or as to "dating" purposes, and that that is made a prominent feature in the specification and claims of the reissue. But, the original specification states, that, when the stamp is intended for a post office or letter stamp, that is, a stamp to stamp, on a letter in a post office, the name of the post office, and the month and day of

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the month, the name of the post office is to be on the fixed ring, and the type wheels are to have the names of the months and the numerals which are to make the days of the month; and that the usefulness of the device consists particularly in the facility of changing the impression to be made by the type wheels, that is, the month and day, which is, the date. The drawings show all this. A month and a day of such month make a date, although no year is added. The addition of the year makes a more full date; and so does the addition of the hour and minute of the day. But the month and day are, in common parlance, a date.

The principal defence set up in this case is, that the improvements claimed by the plaintiff in his reissued patent were previously invented by one Marcus P. Norton, of Troy, New York. So far as regards the contents of a caveat filed in the Patent Office by said Norton, on the 21st of June, 1855, it is sufficient to say, that the improvements claimed by the plaintiff are not found in that caveat. So far as regards the contents of the paper called "an additional caveat," and purporting to be dated August 21st, 1855, and set up in the answer as having been filed in the Patent Office on the 25th of August, 1855, in, and with, and as part of, the said caveat filed June 21st, 1855, it is sufficient to say, that, after due notice to said Norton, and a trial had before a commission appointed by the Commissioner of Patents, the said paper was, in September, 1871, adjudged by the said commission to be fraudulent, and to have been surreptitiously introduced into the caveat file of said Norton, filed June 21st, 1855, and that, thereupon, the Commissioner of Patents endorsed on said paper a memorandum, signed by him, that said paper does not form a valid portion of said caveat.

There remains the evidence as to the prior existence, in fact, as completed inventions, made by Norton, of the plaintiff's improvements. As to this, the burden of proof is on the defendants, and they do not establish the fact satisfactorily. Norton's own evidence is, manifestly, not to be relied upon. The circumstances attending the taking of his deposition in

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this suit, the contradictions in sworn statements he has made at different times regarding the alleged caveat, and the manner in which, as shown by the record, he caused witnesses to testify, in *ex parte* depositions, to matters of which they had no recollection, make it impossible to rely on his testimony.

But, the evidence of Norton, and that of the other witnesses for the defendants, shows nothing done by Norton, prior to the plaintiff's invention, which amounted to more than an unsuccessful experiment. The plaintiff made the first successful, practical working machine.

The infringement of the patent is admitted. There must be a decree for the plaintiff, for a perpetual injunction, and an account of profits, and an ascertainment of damages, with costs.

Frederic H. Betts, for the plaintiff.

Nelson Cross, for the defendants.

THOMAS J. W. ROBERTSON

vs.

JOHN GARRETT AND MICHAEL HOLIHAN. IN EQUITY.

The reissued letters patent granted to Thomas J. W. Robertson, for an "improvement in hand stamps," involved in the suit of *Robertson v. The Secombe Manufacturing Co.*, (*ante*, p. 481,) again sustained.

The objections, that the invention, as described in the specification, will not work, and that the defendants use, in addition to a handle, a guide or plunger, considered, and overruled.

The good faith of the defence, questioned.

(Before BLATCHFORD, J., Southern District of New York, February 27th, 1873.)

BLATCHFORD, J. The letters patent sued on in this case, being reissued letters patent granted to the plaintiff, December 12th, 1871, for an "improvement in hand stamps," the original letters patent having been granted to him September 22d, 1857, and extended for seven years from the 22d September, 1871, are the same that were involved in the suit of the same plaintiff against The Secombe Manufacturing Company, (*ante*, p. 481,) in this Court. The only defences set up in the answer in this suit are, that letters patent for inventions embracing substantially the same devices and combinations that are described in the plaintiff's patent, were granted, in Europe, to three different persons, at dates prior to the date of the plaintiff's patent; and that the plaintiff's invention is of no use, and has never been introduced into public use, and the combination of devices described in his patent has never been, and cannot be, successfully used, as a hand printing and dating stamp, or for any of the purposes set forth in his patent.

No evidence as to the European patents referred to has been put in.

To say, that the plaintiff's invention is of no use, and has never been introduced into public use, and that the combination of devices described in his patent has never been, and cannot be, successfully used, as a hand printing and dating stamp, or for any of the purposes set forth in his patent, when it appears that the defendants have made and sold large numbers of stamps containing the inventions set forth in the claims of the plaintiff's patent, and have introduced them into use, and that, in such stamps, the combination of devices described in the plaintiff's patent is used in the manner directed by the plaintiff in the specification of his patent, is to overlook the true state of the evidence in the case, when considered in view of the proper construction of such specification.

The defendants' stamps contain precisely what the claims of the plaintiff's patent set forth and claim; and this is not denied, in argument. Yet, it is said, that the plaintiff's

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apparatus will not work with such inking process as he describes in his patent, and will only work with such an inking ribbon as the defendants use. But, the plaintiff describes no particular inking process. He says: "When the face of the stamp is inked over by any suitable inking device, and the stamp duly pressed upon a letter or other suitable substance, an impression will be left thereupon of the types contained on the ring C, and also of those types of the type wheels c, d, e, that are in line with the types on the ring C." He does not show, by description or drawing, any form or arrangement of inking device. His invention does not concern an inking device. He states, that his stamp will work with a suitable inking device. The defendants show that it will work with a suitable inking device, and that they make and sell stamps, containing the plaintiff's inventions, which do work with an inking ribbon, as an inking device. All of their evidence is directed to show that the plaintiff's stamp will not work with an unsuitable inking device, which is, in effect, what he himself says, in his specification; and such evidence clearly shows, that the plaintiff's stamp, when used with an inking ribbon, as a suitable inking device, will do what the specification says it will do. It is, therefore, useful. It is shown, that an inking ribbon, as an inking device, was well known at the date of the plaintiff's patent. So was an inking pad, and so was an inking roller. Any of them falls under the head of a suitable inking device, referred to in the specification. One may give less trouble than another. The pad may require care to be used in keeping the type wheels clean, where the stamp is frequently used. But, all this has nothing to do with the completeness of the invention, in a legal sense.

So, in regard to the use of a guide or plunger in connection with the handle. The specification says, that the stamp is to be "duly pressed" upon the substance on which the impression is to be made. It shows no guide or plunger, or any means of pressing or guiding, except that of the hand, directed by the skill of the will. The evidence shows, that, for some uses, it is desirable not to have a guide or plunger.

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But, a handle in a guide, although the guide may make it more useful for some purposes, is none the less the handle of the plaintiff, carrying the apparatus, for the purposes set forth by the plaintiff.

The other objections suggested by the evidence have no force and require no consideration.

The good faith of the defence in this case is more than questionable, in view of the statement, in a circular issued by the defendants, that the arrangement of dates on revolving cylinders was "an improvement which revolutionized the manufacture and use of stamps," by superseding the type-setting stamps, formerly in use. That improvement is conceded to the plaintiff, by the absence of all evidence attacking the novelty of the patent.

There must be a decree for the plaintiff, for a perpetual injunction, and an account of profits, and an ascertainment of damages, with costs.

Frederic H. Betts, for the plaintiff.

James B. Robb, for the defendants.

RICHARD WARREN AND OTHERS, ASSIGNEES OF EDMUND P.
SANGER AND OTHERS, BANKRUPTS

vs.

THE TENTH NATIONAL BANK AND MATTHEW T. BRENNAN,
SHERIFF, &C. IN EQUITY.

Knowledge of the non-payment of the commercial paper of a merchant, at maturity, furnishes reasonable cause to believe that he is insolvent.

Inability to pay commercial paper, in the due course of business, is, in the case of a merchant, insolvency.

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A creditor holding the commercial paper of his debtor, in respect to which the debtor has committed an act of bankruptcy, by suffering it to remain unpaid in the hands of such creditor, for more than two months after its maturity, must be held to know that the debtor is insolvent and has committed an act of bankruptcy, if such creditor, instead of putting the debtor into bankruptcy for such act, proceeds to take measures to secure a preference over other creditors.

What constitutes insolvency in a debtor, and knowledge by him of his insolvency, considered.

If a debtor suffers a creditor to do acts which will secure a preference, and knows the consequences of such acts, he intends such consequences, because he can prevent them, by using the means provided to effect an equal distribution of his property among his creditors.

What constitutes, on the part of a creditor, reasonable cause to believe that he is obtaining a preference.

Where a debtor has committed no act of bankruptcy, and will not voluntarily petition, a creditor may sue him, so as to force him to commit an act of bankruptcy, and then himself proceed against him, for such act, in involuntary bankruptcy.

Motive and intent distinguished. To do an act, with knowledge of its consequences, is to intend the consequences.

Where a preference is obtained through a judgment, and a levy of execution, an assignee in bankruptcy may proceed, by a suit in equity, to set aside the lien, and may make the sheriff, as well as the creditor, a party, if the proceeds of the execution be still in the hands of the sheriff.

On awarding such proceeds to the assignee in bankruptcy, the sheriff was allowed his legal fees, and his costs of suit, and such costs were, with the costs of the assignee, charged on the creditor.

(Before WOODRUFF, J., Southern District of New York, March 3d, 1873.)

WOODRUFF, J. The bankrupts were, in and prior to the month of September, 1870, merchants and traders, in the city of New York. In August, 1870, their bank checks, drawn in their firm name of E. P. Sanger & Company, on the Central National Bank in the city of New York, dated, one, August 23d, 1870, for \$4,891 64, and one, August 24th, 1870, for \$4,651 37, were received in the regular course of business, and were held by the defendant, the Tenth National Bank, and, upon presentation thereof to the bank on which they were drawn, payment was refused, and the same remained unpaid, the drawers soliciting and obtaining delay of prosecution thereon, by the assurance of a hope that they should, by a successful

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continuance of their business, be able to pay them. It is proved, also, by the testimony of one of the bankrupts, that, in September, 1870, the firm failed, and never afterwards resumed payment "generally" of their debts. By this qualification, the witness' explanation shows that he meant that they, after their failure, bought a few bills for cash, and paid certain of their notes, open accounts, or checks, which were specially arranged for and absolutely necessary to carry on their business. They owed, when they failed, from \$150,000 to \$200,000. The distinct and only reason why they did not pay the checks held by the defendant, the Tenth National Bank, was, that they had no money, and the proofs show that, in fact, they were insolvent. I do not deem it very material, but it is also proved, that the firm of E. P. Sanger & Co. had also failed some time previously, and had compromised with some of their creditors; and it was represented to the president of the bank, by the person from whom the checks were received, as an inducement to delay the prosecution of the checks, that the firm had compromised with their creditors, and that his brother, (E. P. Sanger,) was in a "most excellent condition," and would be able to make a satisfactory arrangement in the fall. The president of the bank, in his testimony, shows, that, in his apprehension, the non-payment of the checks indicated, *per se*, inability to pay; and the negotiations for delay, and the urgency employed to gain an extension of time, and the assurance of expected future ability, show, conclusively, that he knew that the debtors had not then present ability to pay the checks, and he was distinctly told, that "any pressure on the part of the bank would embarrass E. P. Sanger." In September, as testified, the firm failed, which must mean, I think, that they were unable to meet their other obligations, and suffered them to remain unpaid, as herein above stated. The checks remained unpaid, and, on the 3d of November, the bank commenced suits thereon, in which judgments were recovered against the bankrupts on the 12th of January, 1871, by default. The defendants therein, having no legal defence, sub-

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mitted to such recovery without opposition, and without taking any measures to prevent the bank from obtaining any advantage which might be gained by such judgment and the execution thereof by seizure and sale of their goods; and, on the same day, executions were issued and levied upon the goods of the debtors. After such levy, the debtors, who appear to have been engaged in an endeavor to compromise again with their creditors, urged the bank to withdraw the levy, they, apparently, still hoping, that, by a compromise with their creditors, at 45 cents on the dollar, they might extricate themselves from their difficulties; and, yielding to solicitation, the bank delayed a sale under the executions. During this delay, and while the goods were in the custody of the sheriff under the levy of such executions, a petition was filed by other creditors, on the 24th of February, 1871, in the District Court, upon which the debtors were adjudged bankrupts, and the complainants in this suit were appointed assignees. The District Court issued an injunction, restraining the bank and the sheriff from disposing of the goods of the debtors so held, which injunction appears to be in full force, except so far as modified by an order which permitted the sale of the goods, the sheriff to hold and retain the proceeds of sale, and the said injunction to apply thereto, with the same force and effect as it applied to the property before such order was made. This suit was thereupon commenced against the bank, to avoid the lien of the executions and levy, establish the title of the assignees in bankruptcy, and obtain possession of the moneys so held, and the sheriff is made a party defendant, as the custodian of the fund in dispute, and, in order that the adjudication herein may be conclusive upon both, and as protection to the sheriff against any claim of the bank upon him, but, otherwise, or beyond this, no personal claim is made on the sheriff. The bill herein was dismissed, with costs, in the District Court, on the ground, that it did not appear that the bank, when the levies were made, had reasonable cause to believe that the debtors intended, by suffering the executions to be

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levied, to give the bank a preference, or that the bank intended to obtain a preference, or that any fraud on the bankrupt law was intended by either. The assignees have appealed to this Court, and here the claim of the assignees to the fund in question is resisted upon various grounds, which, so far as I think material, will be briefly noticed, or, at least, be covered by the conclusions which will be stated.

I. (1.) Before the suits were commenced, the bank had reasonable cause to believe that the debtors were insolvent. The non-payment of their commercial paper at maturity was, of itself, sufficient cause for such a belief, as has more than once been held, in this Circuit. But, added to this, the proofs above recited show, that the president of the bank knew that the non-payment was by reason of inability to pay; and, inability to pay, in due course of business, is, in fact, in the case of a merchant, insolvency, within the meaning of that term. This has been so often adjudged, in giving a construction to the bankrupt law, that it has passed into a maxim. Nor is this all. The president of the bank was informed, before the suits were commenced, that, if the bank should press the debtors for payment, it would embarrass the debtors. This was a singular expression to apply to debtors who, as he knew, were already in a condition in which they could not meet their bank checks, and were urging for delay; and it could only mean, that, if the bank attempted coercion, it would break up their business. I am aware, that it was represented that the debtors were "in excellent condition," and that, if not pressed for payment, there was ground of expectation that they would soon be able to pay. But, this does not make it less certain, that they were, in fact, then insolvent, and that the president of the bank knew the facts constituting insolvency in the law; and it is quite impossible to hold, upon all these proofs, that the bank had not, when the suits were commenced, reasonable cause to believe such insolvency. The contrary is inevitable, from facts which are proved and, in substance, admitted by the president of the bank himself.

(2.) Before the commencement of the suits, the debtors

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had committed an act of bankruptcy, and the bank knew it. Non-payment of the checks, (which were commercial paper,) and neglecting to pay them for more than two months, was, itself, an act or acts of bankruptcy. It is true, that a solvent man can commit an act of bankruptcy, but, it is not according to the usual course of events, for solvent persons to commit such acts of bankruptcy as these; and the bank should be held to the just and reasonable inferences from such acts, when, instead of proceeding, as the bank might have done, to have the debtors adjudged bankrupt, and compel that equal distribution which the bankrupt law aims to secure, it adopted measures which, if successful, must result in giving itself a preference over other creditors.

(3.) All the facts of which the bank had knowledge, and those which the bank had reasonable cause to believe, were perfectly and fully known to the debtors themselves. They knew they were insolvent within the meaning of the law, and they were, in fact, insolvent, in every sense of the term.

(4.) The debtors also knew, that, if they submitted to suits, judgments, levies and sale of their goods, for the payment of the bank, it would give the bank a preference over other creditors, whom they could not pay. It is very true, that they were reluctant to be sued; they implored further delay; they begged to have the levies withdrawn; they earnestly desired to struggle on yet longer, for the purpose of an endeavor, at least, to make such profits in their business as would enable them to pay the bank, and enable them to compromise with their creditors. Possibly, they deemed such a result probable, if time were given them; but, from the moment suits were brought, they knew—they must have known—that, if those suits were carried to judgments, executions, sales, and the receipt of the money, this would give to the bank a preference over other creditors. In this condition of things, if they had themselves sold a portion of their goods, for the purpose of paying the bank in full, and had made that payment, it would have been an illegal preference, plainly and intentionally so. Standing by and suffering the same result, with certain knowledge of the consequence, was suffering the bank

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to gain such preference; and it is doing violence to reason, good sense and the proper meaning of language, to say, that debtors do not intend the necessary consequence of their acts, or of the acts which they permit or suffer to be done, and which they can prevent, if they will, by the means which the law places at their command, to effect a legal and equal distribution among their creditors.

(5.) The like observations, in the particulars last named, apply to the bank. Having the knowledge it possessed, it is very little to say, that it had reasonable cause to believe that the necessary consequence of success in its suits, if it obtained a levy and sale and collected its judgments, would be to gain a preference, and that the debtors would not be able to pay their other creditors. In this view, it is wholly immaterial whether other debts were then due and payable, or not. From the moment the suits were begun, and begun, as they were, with the express notice above mentioned, that, if there was any pressure, the debtors would be "embarrassed," or, in other words, would be in no situation to pay their debts, they acted in disregard of the duty of the debtors to provide for the equal distribution of their property, in like disregard of the right of other creditors to such distribution, and with the single purpose to compel payment to themselves, at all events. They had not the apology for bringing suit, which creditors often have, where the debtor has committed no act of bankruptcy, and will not himself voluntarily apply to be declared a bankrupt, and so commit his estate to that distribution which the law provides for. Such a creditor may properly sue, and, by so doing, force his debtor into an act of bankruptcy, upon which proceedings in bankruptcy may be taken against him by the creditor himself so suing. Here, an act of bankruptcy had been committed, and it was known to the bank. Why did they not proceed thereupon? Plainly, because they were seeking to compel payment to themselves, without regard to other creditors. Both the president and the debtor deny an intent to prefer the bank. This is not unusual. The debtor may, no doubt, truthfully say, that the

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motive which governed him was not a preference for the bank over other creditors. As to both of the witnesses, it is plain, that they regard motive and intent as identical. Not so. An intent often exists, where motive is wholly wanting, and mere indifference exists. When a man does an act, or omits to do an act, with knowledge of the consequences, he intends the consequences, just as truly as he intends to do, or to omit, the thing done or omitted.

(6.) These conclusions make the conduct of the bank and of the debtors a fraud upon the bankrupt law. The bank intended to procure payment, without regard to the other creditors. The debtors knowingly, and, therefore, intentionally, suffered the bank to go on to secure this object, knowing and, therefore, intending this result. Otherwise, they would, as easily they might, have prevented it. All this was, of course, known to the bank.

(7.) These views bring the present case distinctly within the decision of this Court in *Smith v. Buchanan*, (8 *Blatchf. C. C. R.*, 153,) and within the opinion of the Supreme Court, recently pronounced; (*Buchanan v. Smith*, 5 *Chicago Legal News*, 277, and 7 *Nat. Bank. Reg.*, 513,) affirming the decision in that case. The facts are, in every material particular, identical. Cases might be multiplied, similar in principle. (See *Haskell v. Ingalls*, (5 *Nat. Bank Reg.*, 205;) and the opinion of Dillon, Circuit Judge, in *Wilson v. City Bank*, (*Id.*, 270,) expresses like views.) I find no ground for sustaining the claim of the bank to the fund in question, without retracting very much that has been announced in the opinions of this Court, and rejecting the opinions of most of the judges called to administer the bankrupt Act. The opinion of the Supreme Court, on affirming the decision of this Court in *Smith v. Buchanan*, is very full in support of the views above expressed. It denominates the silent acquiescence of the debtors, without invoking the protecting shield of the bankrupt Act, "the passive assistance" rendered by the debtors to the procurement of the lien which would necessarily, if

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not defeated, give the creditors an illegal preference, and would be a fraud upon the Act.

II. It is urged, that the remedy of the assignees was at law, and not in equity; and that the bill should have been dismissed upon that ground, also. The object of the bill was, to set aside the lien of the judgments of the bank, and of the executions upon the personal property of the debtors. Until that was done, the sheriff, who made his levy before the proceedings in bankruptcy were commenced, was acting in the clear line of his duty. He ought not to be proceeded against, or called upon to settle the question in conflict on his own responsibility, nor without such a proceeding as would, by concluding the bank, protect him in delivering the property levied upon to the assignees. Without asserting that the assignees could not maintain trover or replevin against the sheriff, I am of opinion, that a bill in equity was the most convenient and effectual. It enables the Court to settle the rights of all the parties in one suit, and not leave the sheriff to a further litigation with the bank. Had trover been brought against the sheriff, he might, with great propriety, have applied to a Court of equity to protect him, by bringing the real parties to the controversy into actual contest, for his protection. The sale of the property by order of the Bankrupt Court does not change the case in that respect. The order of that Court substituted the money in the hands of the sheriff for the property itself, to be held by him under the injunction previously granted, and with the like effect, directly and incidentally, as he held the property before the sale. *Smith v. Buchanan* was a suit in equity, like the present, and numerous other like suits have been brought and sustained in the several Circuits.

III. On behalf of the sheriff, it is insisted, that he is an officer of the State Courts, and held the property by virtue of their mandate; that this is an interference with the authority and jurisdiction of the State Courts; and, therefore, that the sheriff ought not to be made a party. There is nothing in this. The proceeding no more interferes with him, or with

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the State Courts, than would an action of trover or replevin, when he levies upon and retains property which he has no right to apply, to pay an execution. He is made a party for his own protection, and because he holds the subject of the controversy. No decree is sought, and none should be made, affecting him, otherwise than as the custodian of the fund, and to secure the control of the Court over it. He has in no other sense any personal interest in the controversy, and ought not to be prejudiced, in any manner, by the decree. If he had been sued at law, he would have been in a worse position, and might have found it necessary himself to apply to a Court of equity for protection. Having actually taken the property, he would have had no bond or other indemnity from the bank, against the claim of the assignees.

The proofs show, that the sheriff has the money in his possession. His counsel, on the argument, stated, that, by direction of the State Court, he had paid the money to the other defendant. But, no such fact is before the Court.

The decree of the District Court must be reversed, and a decree be entered awarding to the complainant the proceeds of the sale of the property in question, but allowing the sheriff any legal fees which have not been paid to him, and, also, his costs in this suit, but charging the other defendant with such costs, and also with the costs of the complainants herein.

Alexander Blumenstiel, for the plaintiffs.

Henry E. Tremain, for the Tenth National Bank.

Brown, Hall & Vanderpoel, for the sheriff.

 In re Simeon Leland and others, Bankrupts.

In re SIMEON LELAND AND OTHERS, BANKRUPTS.

N. sold to L., and delivered into his possession, certain chattels, taking therefor the note of L., payable one day after date, without grace, and a mortgage on the chattels, to secure the note, and renewals of it, endorsed on it. Four notes, as one renewal of it, made three days after its date, were endorsed on it, the latest of which became due in six months. The mortgage was not renewed, within twelve months, under the law of New York, by filing it in the town where L. resided. Afterwards, L. was adjudged a bankrupt. The chattels were never taken back into the possession of N., and passed into the hands of the assignee. N. claimed their proceeds, the notes not having been paid:

Held:

- (1.) That N. had no lien as vendor, apart from the mortgage lien, because he had parted with the possession of the chattels, and the sale was not on an agreement that the title should not pass, or that the delivery of possession should be other than absolute;
- (2.) That the mortgage, because not so filed, was void as against creditors, and as against the assignee in bankruptcy, representing them;
- (3.) That, so long as N. did not take possession of the chattels, the statute as to filing the mortgage operated, although the first note was not paid at maturity, and the other notes were not given until two days afterwards.

Although the title of the mortgagee of the chattels becomes absolute as between him and the mortgagor, by forfeiture, on default of payment of the mortgage debt, it is, nevertheless, necessary to file the mortgage, if the possession of the mortgagor is suffered to continue.

The assignee in bankruptcy represents all the creditors; and, whatever right they might assert as creditors, if they had obtained judgments, he may, for their benefit, assert, whether it be to set aside conveyances by the bankrupt which are fraudulent and void as against creditors, or which are otherwise, as against them, invalid.

(Before Woodruff, J., Southern District of New York, March 3d, 1878.)

THIS was a petition by John H. Platt, assignee in bankruptcy of Simon Leland and others, to review and reverse an order of the District Court, directing such assignee to pay to Nicol & Davidson the proceeds of certain chattels found in the possession of two of the bankrupts, which the said Nicol & Davidson claimed under and by virtue of a chattel mortgage, and also by virtue of a lien for the unpaid price of the chattels, on a sale thereof to the bankrupts.

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Thomas M. North, for the assignee.

Amos G. Hull and *Henry E. Davies*, for Nicol & Davidson.

WOODEUFF, J. In the summer of 1870, and on or before the 17th of June, the claimants, Nicol & Davidson, sold to two of the bankrupts, Warren Leland and Charles Leland, then doing business and conducting a hotel at Saratoga Springs, under the firm name of "Leland, Brothers," certain chandeliers and gas fixtures, for use in the said hotel, and, on the said 17th of June, they received, for the price, or the chief portion of the price, the promissory note of the said Leland, Brothers, for \$4,537 75, dated June 17th, 1870, payable one day after date, without grace; and, at the same time, they also received, from the said purchasers, their mortgage, executed by each in his proper name, by which they mortgaged the same chattels, to secure the payment of the note, describing the sum secured as being the purchase money of the chattels. The condition of the mortgage is, that the mortgagors pay, on or before the 18th of June, 1870, the sum of \$4,537 75, "according to the condition of a promissory note, bearing even date therewith, and according to the renewals of said note above described, endorsed on the back of said note," with a provision, that, until default, the mortgagors may remain in the possession of the said goods and chattels, and in the full and free enjoyment of the same. Upon the back of the said note appears the following endorsement: "This note is renewed, by the execution of four notes as follows, (three of which are also subject to be renewed,) and are each dated June 20th, 1870, one for \$1,009 72, payable forty-five days; \$1,012 13, sixty days; \$1,300 18, four months; \$1,315 51, six months. Nicol & Davidson." This mortgage was filed in the town of Saratoga Springs, and, before the expiration of twelve months, a copy thereof, with the statement specified in the statute of New York requiring the filing of chattel mortgages, was, also, there filed; but, it is admitted, as part of the

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proof in the case, that, although, during a portion of the summer, the mortgagors attended personally to the conduct and management of the hotel at Saratoga Springs, they, each of them, resided, with their respective families, in Westchester county, where each claimed to reside, paid taxes, and voted as a resident, visiting and remaining at Saratoga temporarily, for the conduct and superintendence of the hotel, between June and September.

It is claimed and insisted by the assignee, that such mortgage is void, under the statute of New York which declares, that mortgages of chattels are void, as against creditors, unless filed in the town in which the mortgagor resides. On the other hand, it is claimed and insisted by the mortgagees, 1st, that, irrespective of the question, whether the mortgage, as such, is valid, they have a valid lien upon the chattels in question, as vendors, for the unpaid purchase money; and, 2d, that, by the non-payment of the principal note, due one day after date, the title of the mortgagors was forfeited, and the title of Nicol & Davidson thereupon became absolute, and that, therefore, it is immaterial whether the mortgage was filed in the proper office, or not, and the title of the mortgagors is good.

I. There is, no doubt, a lien, in favor of the seller of personal property, for the price of the sale; and, notwithstanding a sale which is perfected so as to vest the title in the purchaser, the seller may retain the possession, in virtue of his lien, until the price is paid. If nothing be agreed between seller and purchaser, which operates as a waiver or modification of this lien and right of possession, the right of the seller is not unlike that of a pledgee of personal property. He has a lien accompanied by possession; but, possession is necessary to support the lien, and, if possession be surrendered, the lien is gone. In the case of the seller, there is an apparent, but only an apparent, modification of this rule, where the purchaser becomes insolvent after the sale, and although the seller has parted with the possession, while the goods are in course of transportation to the buyer, in which case the

seller has the right of stoppage *in transitu*, by the exercise of which he may resume the actual possession of the goods. This right is sometimes called an extension of his lien for the price. But, if the goods are actually delivered to the buyer, or, being forwarded to him, actually reach him, so as to come to his possession, as buyer, the lien is gone. Non-payment of the price, in such case, does not entitle the seller to reclaim the goods, there being no fraud vitiating the sale itself. So that, the sellers, in the present case, had not, independent of any special agreement, any lien entitling them to claim or hold the goods as against the assignee in bankruptcy. They could not, unless by special agreement, have reclaimed them from the bankrupts themselves.

It is, however, competent for buyer and seller to agree upon a conditional delivery, so that, although the title and possession pass to the buyer, the seller may, nevertheless, assert a lien, and reclaim the goods, if the price be not paid according to the terms of sale. Such an arrangement is, however, not to be confounded with a conditional sale. Where it is agreed that, though the price is fixed, the title shall remain in the seller, or shall not pass or vest in the buyer, unless and until the price is paid, according to the terms agreed upon, there the property remains in the seller, as against all the world, if such price be not paid. But, an actual sale in form and effect to pass the title, followed by a merely conditional delivery, is a totally different transaction; and whether, in such case, the seller can reclaim, will depend upon other considerations. As against the buyer, he undoubtedly may, if the price is not paid at the time agreed upon. But, the rights of creditors or of purchasers may intervene, to cut off such right of reclamation.

Without discussing every supposable case in which there is an absolute sale, but with a conditional delivery, for the purpose of preserving the lien of the seller, it must suffice to say, first, that in the present case, the sale by Nicol & Davidson was not a conditional sale. The title passed to the bankrupts. There was no agreement that it should not pass

until the price was paid, and they are not entitled to claim the goods, or the proceeds thereof, on the ground that they never parted with the title. Second, seeking to establish their lien for the price, by virtue of a special agreement with the buyers, they must abide by the actual agreement made, and the instrument executed in conformity with that agreement. There is no proof of any other agreement, and, if the instrument expressing their agreement is not effectual, by reason of the failure of the buyers to do what is by law necessary for their protection, they fail to obtain any benefit therefrom. They received from the buyers a mortgage of the goods. That was what the buyers agreed to give them. The delivery of the goods was, in all other respects, absolute, and vested a perfect title in the buyers, only subject to such mortgage. The sellers cannot now fall back upon any other supposed or possible agreement, qualifying the delivery, and securing to them a lien for the price. Their whole right and interest depends upon the terms of the mortgage, its validity and its effect.

II. Does the mortgage entitle them to reclaim the goods? Unquestionably, it does, as between them and the mortgagors, on default of payment according to the condition thereof. But, it not having been filed where the mortgagors resided, the statute of the State of New York declares it void as against creditors; and that statute is equally controlling in this Court and in the Courts of the State.

It is claimed that, because it is valid, without being properly filed, as against the bankrupts, it is, therefore, good as against their assignee in bankruptcy, and that no creditor but a judgment creditor can impeach or deny its validity. If it were material, it would be sufficient to say, that, in this case, it is proved, that there are judgment creditors, and that the assignee in bankruptcy is acting herein in their behalf, as well as in behalf of all others. But, the claim is erroneous, on a broader ground. The proceedings in bankruptcy arrest the ordinary proceedings of creditors to obtain judgments, and thereby to secure an appropriation of the debtor's prop-

erty to their use, and the assignee in bankruptcy represents them. He is trustee for them; and, whatever right they might assert as creditors, if they had obtained judgments, he may, for their benefit, assert, whether it be to set aside conveyances by the bankrupts, which are fraudulent and void as against creditors, or which are otherwise, as against them, invalid.

It is next claimed, that, in this case, the title of the mortgagors was forfeited by the non-payment of the note due one day after its date; that, therefore, the title of Nicol & Davidson became absolute on the lapse of that day, so that, after the 18th of June, 1870, the title to the chattels was vested in them, and the subsequent possession of the mortgagors was as mere bailees of the mortgagees; and that, so, no title could pass to the assignee in bankruptcy. The general proposition, that, on breach of the condition of a chattel mortgage, the legal title of the mortgagee becomes absolute, as between the mortgagor and mortgagee, is incontrovertible. Numerous cases from the Courts of this State are cited to that proposition. But, it is to be observed, that, in all of them, the mortgage itself is assumed to be valid as against creditors, and the questions were, whether any right remained in the mortgagor, after default of payment, which could be reached by execution or like procedure; and they by no means hold, that mere non-payment cuts off the equitable right to redeem the goods. It may be added, further, that, in the absence of any statute on the subject, it would, I think, be clear, that, after forfeiture, the title would be so fully vested in the mortgagee, that it could only be impeached on the ground upon which any sale or transfer of chattels by a debtor may be impeached, if the debtor is permitted to remain in possession thereof. After forfeiture, the mortgagee would be in no better condition than an assignee or purchaser who took no possession of the goods.

But, here, the statute is the test of the right of the mortgagee. That declares, that a mortgage, unaccompanied by a delivery and a continued change of possession, shall be void,

In re Simeon Leland and others, Bankrupts.

as against creditors, unless the mortgage be filed as therein prescribed. Without at present denying, that if, after forfeiture, the mortgagee takes possession of the goods, he may hold them against subsequent creditors, though the mortgage be not filed, I think it clear, that, while no such possession is taken, and the goods remain in the possession of the mortgagors, they are subject to the operation of this statute. The mortgagors have the possession, with a right to redeem by paying the debt—a right in equity only, but, nevertheless, a right which leaves the title still within the category contemplated by the statute. The provision of the statute requiring the filing of a copy of the mortgage within twelve months after it is first filed, together with a statement of the interest of the mortgagee under the same, plainly indicates this. It is intended by the statute, that, where a creditor claims title to chattels under or by virtue of a mortgage, but the possession, use and enjoyment are in the mortgagor, who is, by virtue of such possession and use, the apparent owner, creditors and others shall be informed, by the filing of the mortgage, and by the filing of a copy thereof from year to year, not merely that such chattels are subject to a mortgage, but shall be informed of the nature and extent of the interest therein claimed by the mortgagee. This construction of the statute is essential to its usefulness for the purpose for which it was enacted; for, otherwise, it could be rendered wholly useless, and its operation evaded, by making mortgages payable on demand, making an immediate demand, and thence onward suffering the goods to remain in the possession of the mortgagor, without filing the mortgage at all. The maxim, once a mortgage always a mortgage, must, under this statute, apply to the relations of the parties until the mortgagee takes possession. I apprehend, that mortgages payable on demand, and mortgages payable in one year, or at a less period, after date, have been very common in this State; and that it is the generally received construction of the statute, that, if the mortgagee desires to preserve his rights under the mortgage, he must refile it at the end of each year, notwithstanding it

has become payable, and the mortgagor has paid nothing, or has paid a part only. It is in accordance with the views above expressed, that the opinion in *Ely v. Carnley*, (19 N. Y., 496, 499,) in the Court of Appeals of this State, with the concurrence of all the judges, states: "When the title to the property has absolutely vested in the mortgagee, by failure to perform the condition, a refiling is necessary to preserve the title of the mortgagee, when there has been no change of possession. Once a mortgage, it so continues for the purpose of filing, until the rights of the parties have been changed by some new act or contract in relation to the property." The Court of Common Pleas held the same, in *Gould v. Bowne*, (4 N. Y. Leg. Obs., 424.) On this ground, therefore, I am constrained to hold, that the mortgage was invalid, as against the assignee.

III. It was earnestly insisted, on the argument herein, that it was error to hold that the title of the mortgagors was forfeited at law by the non-payment of the note of June 17th, 1870, payable one day after date, because the mortgage itself contemplated the renewals a memorandum of which was endorsed on the note, and showed, in and by the terms of the mortgage itself, that there was, and could be, no forfeiture, by breach of the condition, until the renewal notes or one of them became due. For this reason, it was insisted, that the title of Nicol & Davidson was that of mortgagees before forfeiture, and was most clearly within the statute, and void.

Taking the whole language of the mortgage into view, I am decidedly of opinion, that there was no forfeiture on the expiration of the one day after the date of the principal note. The very instrument which provides for the forfeiture recognizes, in terms, the right of renewal, and the endorsement on the note shows the fact of renewal. There was, therefore, no breach while the mortgagors exercised the right which the mortgage itself recognized. Nicol & Davidson could not, as between them and the mortgagors, have insisted on taking possession of the property, unless and until the mortgagors made default in the payment of one of the renewal notes;

The Eledona.

and, until then, there was no forfeiture at law. The necessity of filing the mortgage, to preserve the lien, was, therefore, unquestionable. But, I do not find in the papers submitted to me anything to show that this distinction is material in this case. None of the papers inform me when the petition was filed upon which the mortgagors were adjudged bankrupt. If that was after the renewal notes, or one of them, became due, then the condition of the mortgage was broken, and it is wholly immaterial whether forfeiture be deemed to result from that, or from the non-payment of the principal note, which by its terms, was payable one day after date. The foregoing conclusions apply to either. If the petition was filed, and possession was taken by the assignee, before the renewal notes, or either of them, became due, then the case is clearly within the statute, and the mortgagees are in the ordinary condition of a mortgagee of chattels whose mortgage is not filed as the statute requires.

The case is, apparently, a hard one. Both mortgagors and mortgagees appear to have acted in good faith. But, if mortgagees do not file their mortgages as the statute requires, the Court cannot relieve them when the statute declares their mortgage void. The order must be modified, so as to exclude them from taking the property as mortgagees, and leave them to prove their debt as general creditors, but without costs.

THE ELEDONA.

The master of a vessel made a written contract with persons described in it as shipwrights and spar makers, to furnish a mast to the vessel, for an agreed price. He had the money to pay for it. The contractors ordered it from the libellant, and took it from his yard, and put it into the vessel, and the master paid the contractors for it, but they did not pay the libellant: *Held*, that the libellant had no lien on the vessel for the value of the mast.

(Before Woodruff, J., Southern District of New York, March 3d, 1878.)

The Eledona.

WOODRUFF, J. The decree herein, (2 *Benedict*, 31,) should be affirmed. The master of the brig made a contract for the mast in question, with third parties. He made no contract, express or implied, with the libellant. He did not procure, nor attempt to procure, the mast upon credit; certainly not from the libellant. With money in his possession, he bargained with third persons for the mast, to be made and put in upon his individual personal responsibility. The contract bound him to pay on performance of the contract. There was no idea of credit to any one, save that necessarily involved in beginning the making of the mast, and placing it in the vessel, in confidence that the purchaser will thereupon make payment. That payment the master made with funds in hand.

Had the contractors gone to a ship yard, and purchased a mast, without mentioning the ship into which it was to be placed, there could be no pretence that the seller could, on ascertaining what, in performance of their own agreement, they had done with it, proceed against the vessel therefor, and recover, notwithstanding the master had paid therefor to the parties with whom he contracted. The master, by entering into the agreement which he made, did not constitute the contractors his agents to purchase a mast on the credit of either himself or the vessel. Nor did the master, by going to the yard at which the mast was made, or by anything which, I think, the proofs establish, create a liability to the libellant, either on his own part or that of the vessel. All that he did was in entire harmony with his relation to the contractors. They took him to the yard where the mast was to be made. It had, in fact, been already ordered. Of course, he had an interest in the subject. He would, of course, state, if enquired of, the dimensions of the spar, though I greatly doubt that he did that. Those dimensions had already been given, and been furnished by the contractors to the libellant, and, from the memorandum furnished by the contractors, they were entered in his book, with the price at which, on the application of the contractors, the libellant had agreed to make it. The libellant

The Eledona.

was informed that the master of the brig would come up to see the stick; and he testifies that he went up, with Fowler, to see the stick. He knew nothing of the relations between the contractors and the libellant. There was nothing to suggest to him that the contractors were not simply performing their contract. That contract described them as shipwrights and spar makers, and nothing appears to have indicated to the master that the spar was not in progress at a yard which was under their own direction or control. Certainly, there was nothing to suggest that the person he saw at the yard was acting independently of those contractors and looked to him in any wise for payment. Even the libellant, in his own testimony, does not show that the master had any negotiations with him, or that the price of the mast was at any time mentioned to the master. Had that been mentioned by the libellant, it would, obviously, have led to explanation, and the master would have been apprised, if, in fact, it was true, that the libellant proposed to look to him, or to the vessel, for the payment of \$150 for a mast for which he had agreed to pay other parties.

The libellant was, possibly, misled; but, if so, it was his own fault. Very slight diligence, indeed, very natural and obvious inquiry, would have informed him that the master had funds; that he had agreed with other parties for the mast; and that the purpose of his call at the yard was precisely what the libellant had been informed he would come for, namely, not to buy a mast, not to negotiate for a mast, but to see the stick, and so judge of its fitness for the purpose, and nothing else. Again, the libellant was directed by the person who ordered the mast to send the bill to Pierce & Co., No. 9 South street; and this was assented to. They are not shown to have had any connection with the vessel or the master. In short, the libellant did not furnish the mast to the vessel, nor to the master, but to those who had agreed with the master to furnish it, who ordered it from the libellant, and who received it at the yard and placed it in the vessel.

The *Eledona*.

If the libellant acted under any mistake, it was due to his own carelessness. He did not put the mast in the vessel. He learned that those who ordered it had taken it away. He could not have supposed that the master of the vessel was about to put in the mast himself. Nor does it appear that he intended to give credit to any one. He did not deliver it. He was not bound to deliver it until paid for. The mast appears to have been taken without his actual knowledge at the time. If he had then followed the mast, and made known to the master that the mast had not been paid for, or if, without that, he had notified those on board that he had not delivered the mast, and had demanded it, he might have protected himself.

The case is not at all within the cases of *The Grape Shot*, (9 *Wallace*, 129,) and *The Lulu*, (10 *Id.*, 192.) In each of those cases, the master had no funds in fact, and, in each, the master did order the supplies on credit.

The conclusions I have thus stated, from the evidence of the actual transaction, render it unnecessary to consider the other grounds urged for the dismissal of the libel, or those fully stated in the opinion of the Court below.

A decree dismissing the libel, with costs, must be entered, in affirmance of the decision of the District Court.

Augustus F. Smith, for the libellant.

Charles Donohue, for the claimant.

In re Frederick S. Kirtland, a Bankrupt.

In re FREDERICK S. KIRTLAND, A BANKRUPT.

The question as to what is proper notice to a person holding a lien on land of a bankrupt, of an application, by the assignee of the bankrupt, for leave to sell the land free from the lien, and transfer the lien to the proceeds of sale, considered.

The District Court has power, under § 20 of the bankruptcy Act, to order such a sale.

Such an order may be made by such Court, in the exercise of its summary jurisdiction, under the Act, provided the order does not assume to provide, without the consent of the lien holder, for a determination, in a summary way, and without a regular suit, as to the validity of the lien.

Such an order should not authorize a sale of the land at private sale, for a sum less than the amount claimed to be due to the claimant of the lien, nor a sale upon credit, without the knowledge or consent of the lien holder, unless the price and terms of sale be first submitted to the Court, on notice to the lien holder, for approval and confirmation, but it may authorize public sales, not on credit, on notice to the lien holder.

(Before WOODRUFF, J., Southern District of New York, March 3d, 1873.)

THIS was a petition by Frederick Butterfield, for the review and reversal of an order directing the assignee to sell certain real estate, which the petitioner claimed to own, subject to the right of the bankrupt to redeem the same by the payment of certain moneys due to the petitioner.

Andrew Boardman, for Butterfield.

Thomas M. North, for the assignee.

WOODRUFF, J. (1.) There was no want of jurisdiction in the District Court to entertain the application for an order of sale and proceed upon such application. Without conceding that the power of the Court to proceed in the settlement of the estate of a bankrupt, and the disposition of the property, can be hindered by the absence, in Europe, of one who has a lien thereon, or that such power to sell free of any

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lien, or subject to the lien, can be so delayed by reason of such absence, it is sufficient, in this case, to say, that it appears that the petitioner, claiming an interest in the lands in question, being communicated with on the subject, referred the parties in interest to Messrs. Boardman & Boardman, attorneys and counsellors at law, as his agents and attorneys in the premises. The Court ordered notice of the application to be served upon them. They appeared for Butterfield, and answered the application for the order to sell the lands, and were fully heard on the subject. This was sufficient.

(2.) On the merits. There is no doubt of the power of the Court to order a sale of lands free of the incumbrances thereon; and the proceeds will stand as a substitute for the lands themselves, for the benefit of those holding liens, to the extent of their interest therein, and, as to the surplus, for the benefit of the general creditors. (*Bankrupt Act*, § 20.)

It is, also, clear, that, taking the account given in the answer of Butterfield to be true, his interest in the lands is a lien only. He does not hold the legal title, and his possession of the deeds, under the agreement which he alleges, gives to the bankrupt and his assignee a right to redeem by paying the sum of \$10,000, with interest. At most, he has, therefore, a mortgage, in equity, to secure the payment of that amount.

Had this proceeding been taken for the purpose of contesting the claim of Butterfield to an interest in the property, and had the Court assumed, in this summary proceeding, to determine such a contest, there would be force in the objection, that it was not within the summary jurisdiction conferred upon the Court, as a Court of bankruptcy. Controversies between the assignee and third persons who claim adverse interests in property of the bankrupt, are provided for in the second section; and a proceeding in denial of Butterfield's interest as mortgagee, and seeking to bar him of any assertion of his claim thereto, should be prosecuted by formal suit, as contemplated in that section. Now, it is true, the assignee, in his application for a sale, denied the validity

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of Butterfield's claim, but the Court did not assume to determine summarily whether it was valid or not. That the claim was contested was an important and useful fact to be brought to the attention of the Court. Without knowledge of such fact, the Court might, with great propriety, have assumed its validity, and directed the assignee to pay it out of the proceeds of sale. What the Court did was, to direct a sale of the premises free of all liens, and that the money arising therefrom be brought into Court. The right of the claimant is not affected thereby. His lien, if any he has, follows the fund, and must be asserted and, if contested, be settled, in an appropriate proceeding, to be hereafter taken.

(3.) As to the manner of sale and the extent of the authority therein conferred on the assignee. The Act gives general directions to the Court touching the manner of sale; and, in executing the order, it is to be assumed, that the assignee, as an officer of the Court, will act in good faith, and according to his judgment of the best interests of all who are concerned. But, there are some particulars in the order, which, it seems to me, interfere with the rights of the lien-holder. For all the purposes of this proceeding, his lien must be assumed to be valid, to the full amount claimed. There is no allegation or proof that the lands are sufficient in value to satisfy that lien. To restrain the lien-holder from proceeding to enforce his lien and collect his debt, and to authorize the assignee to sell the lands in parcels, or otherwise, at private sale, without the knowledge or consent of the party apparently most largely interested, thus depriving him of the power to become a competitor and protect himself, by buying the property at its fair market value, and, especially, to authorize the assignee to sell on a credit of one year, thus depriving the lien-holder of all power to sooner realize what is due to him, and, practically, to extend the credit he gave to the bankrupt to a fixed term of one year yet to come, are giving authority to the assignee of which the lien-holder may reasonably complain, even if it be not in violation of his strict rights. True, the assignee is bound to act for the interest of all concerned, but, in this

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case, he is in an attitude of hostility to the claimant of the lien. He denies the right of the latter. He can hardly be regarded as a master in Chancery, or a sheriff, or even as a receiver; and neither of such officers is permitted to make sales in his discretion, at private sale, without submitting them to the Court for approval, before final consummation. In this case, I think, the assignee ought not to be permitted to make private sales, or sales upon credit, (unless Butterfield shall approve of the same, and unite therein,) without first submitting the price and terms of sale to the Court, on notice to Butterfield, for approval and confirmation. I perceive no reasonable objection to the public sales, not on credit, on notice to Butterfield, authorized by the order. The order should be modified, to conform to the views here expressed.

LUCY D. FISK, AS EXECUTRIX, &C., OF JAMES FISK, JR.,
DECEASED

vs.

THE UNION PACIFIC RAILROAD COMPANY, THE CREDIT
MOBILIER OF AMERICA, AND OTHERS. IN EQUITY.

A corporation, defendant in a suit in equity, and which might be held liable to respond pecuniarily to the plaintiff, in the suit, and which had made one attempt to procure its own dissolution, was enjoined from taking any proceedings for its own dissolution, or for the appointment of a receiver of its effects, or for the distribution thereof among its stockholders, or any other persons, and from making any distribution or transfer of any of its effects.

The provision of § 5 of the Act of March 2d, 1793, (1 *U. S. Stat. at Large*, 334, 335,) that a writ of injunction shall not be granted to stay proceedings in any Court of a State, has application only to proceedings commenced in a Court of a State before the proceedings are commenced in the Federal Court.

Under the power given to the Federal Courts, by § 14 of the Act of September 24th, 1789, (1 *U. S. Stat. at Large*, 81, 82,) to issue all writs which may be

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necessary for the exercise of their respective jurisdictions, it may properly be considered as necessary for the continued exercise of the jurisdiction of a Federal Court over a corporation, that the corporation should be restrained from taking steps, in a State Court, to put itself out of existence.

(Before BLATCHFORD, J., Southern District of New York, March 8th, 1878.)

BLATCHFORD, J. It appears from the papers that the profits growing out of one of the contracts must have reached those who received them through the medium of the Credit Mobilier of America, as assignee and owner of such contract, so as to make that corporation, as such, liable to respond in this suit to the plaintiff, and to those on whose behalf the suit is brought, and to the Union Pacific Railroad Company, as creditors of such corporation, for such profits, if any defendant is liable so to respond. It also satisfactorily appears, that the Credit Mobilier of America has some property, and that it has made one attempt to procure its dissolution. The property of corporations is held in trust for creditors, and may be pursued by them into whosoever hands it may come, as well after as before the dissolution of the corporation, unless it may have come to the hands of *bona fide* purchasers. Hence, the capital stock of a corporation is deemed a trust fund for all the debts of the corporation, and no stockholder can entitle himself to any dividend or share of such capital stock, until all the debts are paid. If the capital stock should be divided, leaving any debts unpaid, every stockholder, receiving his share of the capital stock, would, through a remedy in equity, be held liable *pro rata* to contribute to the discharge of such debts out of the fund in his hands. Upon the principle, that the property of a corporation is held by its officers in trust, to be applied to the discharge of the legal debts of such corporation, Courts of equity interfere to restrain such officers from applying such property to any illegal purpose, and to compel restitution when any illegal application has been made. (2 *Story's Eq. Juris.*, §§ 1252, 1252 a.) The pursuit of the stockholders may make it necessary to retain jurisdiction over the corporation. It cannot be permitted,

that, after jurisdiction, in this suit, over this corporation has been acquired by this Court, the corporation should be suffered to take steps to evade such jurisdiction by procuring its own dissolution.

The provision of section 5 of the Act of March 2d, 1793, (1 *U. S. Stat. at Large*, 334, 335,) that a writ of injunction shall not be granted to stay proceedings in any Court of a State, has never been held to have, and cannot properly be construed to have, any application except to proceedings commenced in a Court of a State before the proceedings are commenced in the Federal Court. Otherwise, after suit brought in a Federal Court, a party defendant could, by resorting to a suit in a State Court, defeat, in many ways, the effective jurisdiction and action of the Federal Court, after it had obtained full jurisdiction of person and subject-matter. Moreover, the provision of the Act of 1793 must be construed in connection with the provision of section 14 of the Act of September 24th, 1789, (1 *U. S. Stat. at Large*, 81, 82,) that the Federal Courts shall have power to issue all writs which may be necessary for the exercise of their respective jurisdictions. It may properly be considered as necessary for the continued exercise of the jurisdiction of this Court over the corporation in question, that it should be restrained from taking steps, in a State Court, to put itself out of existence.

The injunction asked for is proper, to restrain the corporation from taking any proceedings for its own dissolution, or for the appointment of a receiver of its effects, or for the distribution thereof among its stockholders, or any other persons, and from making any distribution or transfer of any of its effects. If this injunction shall at any time interfere with the doing by the corporation of anything which it ought properly to be allowed to do, application may be made to modify it.

David Dudley Field, for the plaintiff.

James Emott and *Albert Stickney*, for the defendants.

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WILLIAM H. BLISS

vs.

THE CITY OF BROOKLYN. IN EQUITY.

The reissued letters patent, granted to William H. Bliss, December 21st, 1869, for an "improvement in hose couplings," the original patent having been granted to William H. Bliss and Robert B. Lawton, February 22d, 1859, are void, because the invention claimed therein is worthless.

It is of no utility without the addition of a lug, in combination.

The addition of the lug is not merely an improvement.

(Before BENEDICT, J., Eastern District of New York, March 18th, 1873.)

BENEDICT, J. This action, which has been before me on a former occasion, (8 *Blatchf. C. C. R.*, 533,) upon other pleadings and proofs, having been reopened, now comes up for determination upon new pleadings and different proofs. It is an action to recover damages from the city of Brooklyn for using certain hose couplings, which are claimed to be an infringement upon a certain patent for hose couplings, originally issued to Robert B. Lawton and William H. Bliss, on the 22d of February, 1859, and reissued to the plaintiff, December 21st, 1869.

The object of the invention is stated in the original patent as follows: "The object of this invention is, to connect hose together in such a manner that a swivel joint will be attained, and, at the same time, certain provision made for compensating for the wear attending such connection, so that the coupling may always be kept water-tight, by the mere act of adjusting or connecting the parts together." The claim of the original patent is as follows: "The two thimbles, C, D, attached to the ends of the hose, A, B, the thimble C being provided with the shoulder *b*, and ground seat or packing *c*, and the thimble D provided with the groove *e*, with inclined sides, and fitted within thimble C, the above parts being used in

connection with the conical roller or rollers *g*, fitted in the screw caps *i*, and the whole arranged to operate as and for the purpose set forth."

In the reissue, upon which this suit is based, the object of the invention is stated as follows: "The object of this invention is, to connect hose together in such a manner as to secure a tight joint, and admit of their being connected and disconnected with greater facility than was previously done." The claim in this reissue, which is the subject of this controversy, is as follows: "The combination of the two thimbles, C and D, by means of a pin, operating longitudinally, through the outer thimble C, and against the inclined side of the groove in the thimble D, so that the two thimbles will be forced together by the inward movement of the pin, and be liberated by its outward movement, substantially as described."

It will be observed, that the idea which is put forth in the original patent, as the new idea embodied, as there described, namely, the formation of a hose joint, which, by means of a revolving pin, could swivel, and, at same time, remain tight, is omitted from the reissued patent. In the reissue, the only object of the invention, as there stated, is the formation of a tight hose joint, by means of the combination of certain old and well-known devices, in the manner described.

In opposition to the patent, as thus reissued, several grounds of defence have been here taken. One of them is, that the invention which the reissued patent describes is worthless, and the patent, for this reason, invalid; and this defence appears to me to be supported by the proofs. The law upon the subject of utility is not in doubt. No particular amount of utility is required to render an invention patentable, but there must be some. When the invention is shown to be worthless, the patent must fail. Such appears to be the case in the present instance. The evidence fails to disclose any instance where the combination described in the reissued patent of 1869 has been successfully used. The plaintiff himself testifies, that he does not know of any such coupling having been found to be of practical use. Although

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he sells couplings, he never sold any such, and only recollects three instances where their use has been attempted. His testimony satisfies me that the combination described in the patent here relied on proved inoperative and worthless.

It is true, that couplings containing all the elements, in combination, which are described in the plaintiff's reissue of 1869, are in use, and such are those used by the defendant; but, in these couplings, another essential element is present in the combination, which additional element is not to be found in the plaintiff's reissue of 1869. This additional feature is a lug, which is placed upon the inside of the outer thimble, opposite to the pin, in such a manner, that, when the pin is forced inward upon the inner thimble, the inclined side of the groove of that thimble is pressed upon the lug, and that part of the inner thimble is thus forced up to the shoulder of the outer thimble, at the same time that the pin itself, by pressing the inclined groove, where it is touched by the pin, forces that side of the inner thimble up to the shoulder of the outer thimble, thus making a tight joint, which cannot tilt, although the inner thimble be smaller than the inside of the outer thimble, and which can swivel or turn, and be tight. The introduction of this element makes the combination a different combination from that described in the plaintiff's patent of 1869. This combination, into which the lug enters as an element, is the subject of another patent, obtained by the plaintiff on the 25th of February, 1862, which he has not proved here, and in which he states that the lug is "very essential." This latter patent of 1862 has been put in evidence by the defence, and it affords strong support to the position, that the combination described in the reissue of 1869 proved worthless.

But, it is said, that the introduction of the lug is simply an improvement. I cannot so consider it. The two combinations are distinct, because they have different elements and attain a different result. In the one combination, no lug appears, and no practical result is attained. The introduction of the lug, for the first time, produced a combination which accomplished any useful result. An added element, which in-

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creases the efficiency of a combination, of itself effective, is of the nature of an improvement; but, when the added element is essential to the production of any useful result, such an addition is not an improvement, but its use gives birth to the only patentable, because the first useful, combination. Notwithstanding, then, the conceded fact, that the combination which includes the lug with other elements which are described in the reissue of 1869, is useful, it is, nevertheless, necessary, in order to sustain the reissue, that it should appear that the device there described, which does not contain the lug, is of some utility. As before stated, the contrary here appears, and, for this reason, the patent must be declared invalid.

George Gifford, for the plaintiff.

Benjamin E. Valentine, for the defendant.

SADIE E. WILKINSON vs. MARK M. POMEROY.

The proper plea to a count on a breach of promise of marriage, is non assumpsit, and not not guilty; and a plea of not guilty will be stricken out, on special demurrer, as bad.

A writ which requires the defendant to answer to the plaintiff in a plea of trespass, and, also, to a certain bill of the plaintiff against the defendant, for damages, in a sum named, for deceit and breach of promise of marriage, sets forth, in the action for deceit, an action in trespass on the case, and the rest of the *ae etiam* clause may be regarded as explanatory of the subject-matter to which the deceit was applied, or may be rejected as surplusage; and, therefore, the writ is not incongruous.

A variance between the writ and the declaration cannot be taken advantage of by a demurrer.

A count in assumpsit, for a breach of promise of marriage, and a count in tort, to recover damages for deceit, cannot be joined, and the defect can be reached by demurrer.

An objection, that a declaration shows that the cause of action is barred by the statute of limitations, cannot be taken by demurrer.

(Before SHIPMAN, J., Southern District of New York, March 14th, 1878.)

SHIPMAN, J. The questions presented for consideration in the present stage of this case, and now to be disposed of, arise on the special demurrer interposed by the plaintiff to the first plea of the defendant. The demurrer is, in substance, that the plea should have been "non assumpsit," instead of "not guilty." It appears, from the record, that the defendant had been ordered by the Court to file the general issue, and that, under such order, he filed the plea of "not guilty," to the first count in the declaration.

(1.) The plaintiff claims, that the first count in the declaration is a count in assumpsit, and that the general issue proper to be pleaded to such a count is non assumpsit. This claim is, undoubtedly, correct. The first count sets forth a promise of marriage, made by the defendant, to the plaintiff, May 30th, 1866, the breach of such promise by the defendant, his subsequent marriage to another woman, and a claim for damages, of twenty-five thousand dollars. This count is based upon a breach of contract, and is, properly, a count in assumpsit. The general issue appropriate to such a count is non assumpsit. The plea of not guilty, to this count, is, therefore, bad, and must be stricken out. (*Chitty's Pl.*, vol. 3, p. 908, note).

(2.) The defendant, on the other hand, claims, that the demurrer reaches back through the whole record, and attaches to the first substantial defect, and that there are defects of this character, both in the writ and in the declaration; that one count in the declaration is in tort, and the other is in contract, while the writ is an action in trespass, and for deceit and breach of promise of marriage; and that the whole is incongruous. These objections, certainly, deserve consideration.

The first question is, whether any incongruity in the writ, or any variance between the writ and the declaration, is reached by a demurrer. The writ requires the defendant to answer unto the plaintiff, "in a plea of trespass, and, also, to a certain bill of the said plaintiff against the said defendant, for damages, in the sum of twenty-five thousand dollars, for deceit and breach of promise of marriage." Does this lan-

guage describe a valid cause of action; and, if so, is that cause of action variant from the first count in the declaration? It is to be observed, that the writ, in this case, was served upon the defendant as a separate process from the declaration, which was filed afterwards. This practice has come to us from English parentage. We should, therefore, look, for light upon these questions, at the common law practice, as it existed when our American colonies became separated from the mother country.

Under the old English practice, the whole original writ was repeated in the declaration, and, if a material variance appeared between the writ and the declaration, the defendant might take advantage of it, either by motion in arrest of judgment, writ of error, plea in abatement, or demurrer. But, this was altered by rule of Court, in 1654, ordering that declarations in actions upon the case and general statutes, other than debt, should not repeat the original writ, but only the nature of the action. After this rule was made, the only way in which the defendant could take advantage of a bad original, or of a variance between the original and the declaration, was by praying oyer of the writ, or, in case of a bad original, by writ of error. But, the practice of praying oyer of the original having been much used for delay, the Courts came to a resolution not to grant oyer of the original writ, so that no advantage whatever could be had of a defective original, or of a variance between it and the declaration. (1 *Saund.*, 318, note 3.) The effect of this rule was to abolish all pleas in abatement for any variance between the writ and the count, and it extended to all pleas in abatement which could not be proved without an examination of the original writ. (*Gould's Pl.*, ch. V, § 64, note 9, and §§ 82, 101.) By statute of 13 Car. II, stat. 2, ch. 2, it was provided, that "the certainty and true cause of action" should be "expressed particularly," in writs, bills and process issuing out of the Courts of King's Bench and Common Pleas, and in allailable actions, where the penalty exceeded the sum of forty pounds. If this provision was not complied with, the defendant was to be bailed upon

his own bond for appearance. Blackstone says: "This statute (without any such intention in the makers) had like to have ousted the King's Bench of all its jurisdiction over civil injuries without force; for, as the bill of Middlesex was framed only for actions of trespass, a defendant could not be arrested and held to bail thereupon for breaches of civil contracts. But, to remedy this inconvenience, the officers of the King's Bench devised a method of adding what is called a clause of *ac etiam* to the usual complaint of trespass, the bill of Middlesex commanding the defendant to be brought to answer the plaintiff of a plea of trespass, and, also, to a bill of debt, the complaint of trespass giving cognizance to the Court, and that of debt authorizing the arrest. (3 *Black. Comm.*, 288.) The same practice was afterwards extended to the Court of Common Pleas.

A question very similar to the one now under consideration was decided in 1769, in the case of *Callaghan v. Harris*, (2 *Wilson*, 392.) The sheriff was commanded to attach the defendants to answer the plaintiff "in a plea of trespass, and, also, that the defendants answer the plaintiff, according to the custom of the said Court, in a certain plea of trover, and for converting of the goods and chattels of the said plaintiff, &c." The defendants having been arrested upon this writ, and held to special bail, a motion was made for a rule to show cause why a common appearance should not be accepted for the defendants, alleging that the *ac etiam* in the writ did not particularly express the cause of action, as the statute of 13 Car. II, stat. 2, ch. 2, directs, for that there is no such cause of action as a plea of trover, but, it ought to have been, in a certain plea of trespass upon the case, for converting the goods and chattels of the plaintiff, &c. But, it was resolved by the Court, that the cause of action was fully and clearly expressed, and that, although the *ac etiam* was not exactly clerical, yet nobody who read it could doubt of the cause of action. So, in the case under consideration, although the cause of action expressed in the *ac etiam* clause is "for deceit and breach of promise of marriage," which is not exactly clerical, yet, actions

for deceit belong to a class of actions well known as actions on the case, and the words, "breach of promise of marriage," may be regarded as explanatory of the subject-matter to which the deceit was applied, or they may be rejected as surplusage. (*Gould's Pl., ch. III, sec. 170.*) The writ, then, may be regarded as disclosing a cause of action in trespass on the case.

Upon the question of variance between the writ and the first count, the authorities already cited show that a defect of this character cannot be reached by a demurrer. In *Thompson v. Dicos*, (2 *Dowl. Pr. Cases*, 93,) the writ was trespass on the case, and the declaration was trespass. On a rule for setting aside the declaration for variance, the Court held, that, under the uniformity Act, the declaration must be conformable to the writ; and the declaration was set aside, with leave to the plaintiff to declare properly under the writ, if he could do so. But, the Court held, by Bayley, B., that the variance could not be taken advantage of on demurrer, because it was a "mere irregularity." Chitty lays down the rule in such cases as follows: "Before the uniformity of process Act, 4 W. IV, c. 39, upon common process, the plaintiff might declare in any cause of action whatever. But, in bailable actions, the declaration must have corresponded with the cause and form of action in the affidavit, and the *ac etiam* part of the *latitat* or other process; for, otherwise, the defendant would be discharged on filing common bail, and the Court would not allow the declaration to be amended in that respect; but, that was the only consequence, for the Court would not, in such case, set aside the proceedings for irregularity." (*Chitty's Pl., vol. 1, p. 253.*) "If the body of the declaration state a cause of action that is not, nor could be, properly declared for, in the form of action stated in the writ, then the deviation would constitute an irregularity and ground for setting aside the declaration, but not a ground for demurrer." (*Id., p. 254.*) In our own Courts, it has been decided, that a variance between the writ and declaration must be pleaded in abatement. (*Wilder v. McCormick*, 2 *Blatchf. C. C. R.*, 31;

Wilkinson v. Pomeroy.

Duval v. Craig, 2 *Wheat.*, 45.) But, in this case, the defendant has pleaded to the merits, and, therefore, it is now too late for him to plead in abatement. (*Prosser v. Chapman*, 29 *Conn.*, 515.)

(3.) It remains now to consider the objections raised by the defendant to the declaration. Some of these objections are merely formal, and, not having been pointed out in the special demurrer, are not reached by it. Only defects of substance in the declaration can be taken advantage of under a special demurrer to a plea. (*Gould's Pl.*, ch. IX, part 1, sec. 20.)

It is claimed, that there is a misjoinder of counts in the declaration, one count being in contract, and the other in tort. If such misjoinder exists, it is a radical fault, and is reached by the demurrer. (*Gould's Pl.*, ch. IV, sec. 98.)

As has already been remarked, the first count is in assumpsit. The second count sets forth the deceit of the defendant, in representing that he was a single man, when, in fact, he was married, and, under that misrepresentation, entering into a promise of marriage with the plaintiff, and thereby preventing her from receiving the attentions of other men and making a suitable marriage, and keeping her a single woman for the last six years, and injuring her good name, and hurting her feelings, &c. This is a count in trespass on the case, (1 *Ch. Pl.*, 137,) or, as it is generally denominated, an action on the case. It sounds in tort. So that there is a count in assumpsit, and a count in case, joined in the same declaration. These counts cannot be so joined, at common law. (*Gould's Pl.*, ch. IV, secs. 87, 88, 91.) If the writ be regarded as substantially for trespass on the case, and the second count for the same cause of action, then the first count, being in assumpsit, is manifestly out of place. The first count, therefore, should be stricken out. (*Gould's Pl.*, ch. IV, sec. 101.)

As both parties have been greatly in fault in pleading, and as a portion of the pleadings of both parties is to be stricken out, this may be done by both parties without costs.

A further objection is raised to the declaration, that it shows, upon its face, that the cause of action arose more than

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six years before suit brought, and is, therefore, barred by the statute of limitations of New York. But, the date mentioned in the declaration is not material, and, as the plaintiff can prove any date within the statutory period, such objection cannot be raised on demurrer.

Sidney DeKay, for the plaintiff.

James D. Reymert, for the defendant.

JOSEPH BENSUSAN, JR. *vs.* THOMAS MURPHY.

B. imported 444 bottles of wine, containing $83\frac{1}{2}$ commercial gallons, and of the dutiable value of \$96. The 21st section of the Act of July 14th, 1870, (16 U. S. Stat. at Large, 262,) provides, that wines imported in casks, valued at not exceeding 40 cents per gallon, shall pay 25 cents duty per gallon, valued at over 40 cents, and not over \$1, shall pay 60 cents, and valued at over \$1 shall pay \$1, and, in addition thereto, 25 per cent. *ad valorem*; and that wines imported in bottles, shall pay "the same rate per gallon as wines imported in casks, but all bottles containing one quart, or less than one quart, and more than one pint, shall be held to contain one quart, and all bottles containing one pint, or less, shall be held to contain one pint, and shall pay, in addition, three cents for each bottle." The collector exacted a duty on 111 gallons, at \$1 per gallon, and a duty of 25 per cent. *ad valorem* on \$96, and a duty of three cents on each bottle. In a suit by B. to recover back an excess of duty, *Held*, that the wine, being imported in bottles, was not liable to the 25 per cent. *ad valorem* duty, but only to the duty per gallon; that, as each bottle contained more than one pint, and not more than one quart, each bottle must be held to contain one quart, and the 444 bottles must be held to contain 111 gallons, for the purpose of arriving at its value per gallon, to ascertain the proper rate of duty per gallon, as well as for the purpose of fixing the number of dutiable gallons; that the value, therefore, was over 40 cents, and not over \$1, per gallon, and the proper rate of duty per gallon was 60 cents, on 111 gallons; and that the bottles were each subject to 3 cents duty.

(Before SHIPMAN, J., Southern District of New York, March 14th, 1873.)

THE plaintiff imported from Bordeaux, in France, and en-

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tered at the Custom House at New York, for consumption, 37 cases of claret wine, in bottles, on the 3d of April, 1871. The invoice presented on entry stated the cost of the wine to be 337 francs and 50 centimes, and the price of the bottles and the amount of charges due to be 166 francs and 50 centimes, and the commissions to be 12 francs and 90 centimes, making the total value 516.90 francs, or \$96 in United States coin. The charge of 13 francs for consul's certificate was, also, included in the invoice, but was not stated in the entry. The appraisers returned the invoice to the collector, noting thereon, "wine, in cases, of 12 bottles each, $2\frac{1}{4}$ gallons to the case, \$1—25 %—3 cts." The collector caused the entry to be liquidated as follows: 111 gallons of wine, at \$1 per gallon, \$111; \$96, (value claimed,) at 25% *ad valorem*, \$24; 444 bottles, at 3 cents each, \$13 32; total duty, \$148 32—exacting a duty of \$68 40 in excess of the duty estimated on entry, which was paid under protest, before the commencement of this suit, to get the goods. Each case contained $2\frac{1}{4}$ standard gallons. The plaintiff made protest and appeal, in due time, against the rate and amount of duty, pursuant to the provisions of sections 14 and 15 of the Act of June 30th, 1864, (13 *U. S. Stat. at Large*, 214, 215.) The Secretary of the Treasury having affirmed, on said appeal, the decision of the collector, this action was brought within 90 days after such affirmance, against the collector, to recover \$68 40, gold, duty claimed to have been illegally exacted. The invoice did not separate the price of the bottles from the charges, but it was admitted, that the dutiable value of the bottles was at the rate of 20 francs per 100, and, for the 444 bottles, 88.80 francs, being \$16 51, in coin. It was admitted, that the 37 cases of claret wine, and the bottles containing the same, were liable to duty, as "wines of all kinds, imported in bottles, and not otherwise herein provided for," under section 21 of the Act of July 14th, 1870, (16 *U. S. Stat. at Large*, 262.) The protests were as follows: "New York, May 6th, 1871. Sir: I hereby protest against your assessment of duty at \$1 per gallon, and 25 *per cent. ad valorem*, on certain wine in bottles,

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(not champagne or sparkling,) imported in the Daniel Webster, from Bordeaux, and entered by the undersigned for consumption, April 3d, 1871, because, (1.) The Act of July 14th, 1870, section 21, under which duty is assessed, imposes no *ad valorem* duty on wines in bottles; (2.) Because the quantity of said wine is fixed under said law at three gallons per case, (owing to the size of the bottles,) but, in estimating the value per gallon, you have taken a less quantity than three gallons, as the contents of each case, thereby increasing the value of said wine per gallon, beyond one dollar, and illegally increasing the rate of duty from 60 cents to \$1 per gallon, with the further addition, illegally made by you, of 25 % *ad valorem*. We pay the excess exacted under compulsion, solely 'to get the goods.' "New York, May 13th, 1871. Sir: In addition to the objection named in my protest of the 6th inst., against the rate and the amount of duty assessed by you on my entry of wine in bottles, per Daniel Webster, for consumption, dated April 3d, 1871, I protest, also, against the value of the bottles being included in the dutiable value of the wine, as they pay a separate duty as bottles, and against the inclusion of the price of the consular certificate in said dutiable value. I have paid the amount exacted over 60 cents per gallon duty on said wine, under compulsion, to get the goods."

Edward Hartley, for the plaintiff.

Noah Davis, (*District Attorney*), for the defendant.

SHIPMAN, J. The duties on the merchandise in question were levied under the 21st section of the Act of July 14th, 1870, (16 *U. S. Stat. at Large*, 262,) which, so far as applicable to this class of goods, is as follows: "After the thirty-first day of December, eighteen hundred and seventy, in lieu of the duties now imposed by law on the articles hereinafter enumerated or provided for, imported from foreign countries, there shall be levied, collected, and paid the following duties

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and rates of duties, that is to say : * * * On all wines imported in casks, containing not more than twenty-two *per centum* of alcohol, and valued at not exceeding forty cents-per gallon, twenty-five cents per gallon ; valued at over forty cents, and not over one dollar per gallon, sixty cents per gallon ; valued at over one dollar per gallon, one dollar per gallon, and, in addition thereto, twenty-five *per centum ad valorem*. On wines of all kinds, imported in bottles, and not otherwise herein provided for, the same rate per gallon as wines imported in casks, but, all bottles containing one quart, or less than one quart, and more than one pint, shall be held to contain one quart, and all bottles containing one pint, or less, shall be held to contain one pint, and shall pay, in addition, three cents for each bottle."

The first question raised by the protest is, whether this wine in bottles is subject to an *ad valorem* duty. The statute provides, that "wines of all kinds, imported in bottles, and not otherwise herein provided for," shall be subject to "the same rate per gallon as wines imported in casks, but, all bottles containing one quart, or less than one quart, and more than one pint, shall be held to contain one quart, and all bottles containing one pint, or less, shall be held to contain one pint, and shall pay, in addition, three cents for each bottle." I think it very clear, that the words, "the same rate per gallon," refer, exclusively, to the specific duty imposed on wine in casks, and do not include the *ad valorem* duty. The latter can, in no just sense, be regarded as a "rate per gallon." The rate per gallon is specific, and fixed, by the clause regulating the duty on wine imported in casks, at twenty-five cents, sixty cents, and one dollar, per gallon, the specific rate to be applied to each gallon to be ascertained by fixing the commercial value of the gallon. The Act then adds to all wines imported in casks an *ad valorem* duty of twenty-five *per cent*. These specific rates imposed on wines imported in casks are then applied to wines imported in bottles, but the *ad valorem* duty is not referred to in connection with the latter. If Congress had intended to impose on wine

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imported in bottles both the specific and the *ad valorem* duties laid on wine imported in casks, they certainly would have so declared in unambiguous terms. That could have been done by simply, in so many words, subjecting wine in bottles to the same rates of duty as wine in casks. I am satisfied, that the words, "the same rate per gallon," were used only with reference to the specific rate applied to each gallon, and are limited, by plain terms, to that, and that, consequently, the wine in question was only liable to the same specific duty on the gallon as it would have been had the importation been in casks instead of bottles. (*Lawrence v. Caswell*, 13 How., 488.) The exaction, therefore, of the twenty-five *per cent. ad valorem* was not warranted by the statute, and the plaintiff is entitled to recover it back in this suit.

The remaining question is, whether the rate of duty levied by the collector on each gallon is the one prescribed by the statute. He required the plaintiff to pay one dollar upon each gallon. The plaintiff insists, that sixty cents per gallon was the rate to which this wine was subject. By the statement of facts agreed upon, it is undeniable, that the total value of the wine in question was \$96. There were 111 gallons. The value per gallon was, therefore, less than one dollar; and, if this statement is as correct as it is simple, it is obvious, that sixty cents is the rate of duty which the law applies to each gallon, instead of one dollar, applied by the collector. Now, the statement of facts, after giving the total dutiable value of the 37 cases, including the price of the bottles, and the amount of charges, as \$96, states, that "the appraisers returned the invoice to the collector, noting thereon, 'wine in cases, of 12 bottles each, 2 $\frac{1}{4}$ gallons to the case, \$1 — 25% — 3 cts.'" The collector then proceeded to liquidate the entry. In conformity to the statute, he fixed the number of gallons at three in each case of twelve bottles, in lieu of two and a quarter, noted by the appraisers. The appraisers had evidently given the number of standard or commercial gallons, and the number of bottles in each case,

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in order to enable the collector to fix the number of gallons which they were to be held to contain, under this statute, for the purpose of levying the duty prescribed. The return of the appraisers showed that each bottle contained more than one pint and less than one quart. By the statute, the collector was to hold them as containing one quart each, and he thus fixed the quantity at three gallons for each case, 111 gallons in all. On this quantity he levied a duty of \$111, one dollar per gallon. Obviously, he took the value of the commercial or standard gallon, as noted by the appraisers, which was one dollar, and then applied the value of that gallon to the statutory gallon, as arbitrarily fixed by this Act. There is no pretence that there was any reappraisement or revaluation. The whole process was arithmetical. The noting on the invoice, by the appraisers, of "\$1," is of no importance. It was erroneous, and in conflict with the other part of their return. It was based upon the value of the commercial or standard gallon, and was arrived at by taking that as the measure of quantity by which the value of the wine per gallon was to be ascertained, for the purpose of levying the duty. But, the duty prescribed by the statute upon each gallon is to be ascertained by arbitrary rule fixed by the law itself. Nothing can be clearer than that the appraisers took the standard or commercial gallon as the rule of determining the quantity. The number of such gallons in the whole importation was 83 $\frac{1}{4}$. The value of the whole importation was \$96. Therefore, the value of each gallon was over one dollar. But, applying the rule prescribed by the statute, which declares, that "all bottles containing one quart, or less than one quart, and more than one pint, shall be held to contain one quart," this importation contains 111 gallons. The collector so held, in fixing the quantity upon which he levied the duty. But, the value of the whole invoice was but \$96. The value of the gallon, upon which duty was to be levied, must, therefore, have been less than one dollar, and, consequently, liable to a duty of only sixty cents. It will be noted, that the value of the whole importation is not

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only fixed, by the agreed statement of facts, at \$96, but the collector, in estimating the amount of the *ad valorem* duty which he levied, took that sum as the basis of his calculation.

It is obvious, that this plain reading of the statute works neither injustice to the Government, nor any unequal discrimination between wine imported in casks and that imported in bottles. It is a fact, within the common knowledge of all engaged in this branch of trade, and equally within the knowledge of Congress, when it passed this Act, that bottles in which wines are imported do not contain exactly a pint or a quart; that what are called "pints," contain less than a pint, and those called "quarts" less than a quart; and, consequently, the statute, arbitrarily and justly, enacted, that, though, in fact, these bottles might contain less than a pint or quart, respectively, still, they should be held, in the eye of the law, for the purpose of levying duty, to severally hold the full measures which their denomination would indicate. Some such rule is necessary, to avoid the useless trouble of gauging the contents of each bottle. Thus, in importations of wine in bottles of this character, the Government secures a duty of about twenty-five *per cent.* beyond what it would receive by way of specific duty on wine in casks. This is equivalent to the *ad valorem* duty levied on wine in casks, but omitted on wine in bottles, and shows both the equality and harmony of this view of the different clauses of the Act under consideration.

On applying the statute governing this case to the agreed statement of facts submitted, the conclusion is, that the duties levied should have been on the 111 gallons of wine in the 444 bottles, sixty cents per gallon, making \$66 60, and three cents each on the bottles, amounting to \$13 32, making a total of \$79 92, and no more. The excess which the collector levied over this sum, to wit, \$68 40, was illegally exacted, and the plaintiff is entitled to recover it back, with costs. Let judgment be entered accordingly.

The Bristol.

THE BRISTOL.

THE NARRAGANSETT STEAMSHIP COMPANY

vs.

JOHN PONTON AND OTHERS.

If a steamboat continues her course at very nearly her highest speed, in a fog so dense that an approaching vessel, with all proper lights, cannot be seen at a distance of 300 feet, and a collision ensues, the steamboat must be held to have been in fault.

A vessel was sunk by a collision, in Long Island Sound, and abandoned, but was afterwards discovered, and raised, and libelled for salvage, and sold, and repaired by the purchaser. There was nothing to show that it was evident that the cost of raising and repairing her would, with the loss of her use, amount to more than she would be worth after being repaired. It did, in fact, cost more to raise and repair her than she was worth after she was repaired; *Held*, that it was proper to allow, as damages for her loss, her full value at the time she was sunk.

The finding of the Commissioner, as to the amount of such value, allowed to stand.

(Before WOODRUFF, J., Southern District of New York, March 15th, 1878).

WOODRUFF, J. 1. I concur fully with the District Judge, (4 *Benedict*, 397,) in his conclusion upon the merits in these cases; and, on that branch of the controversy, I only desire to reiterate the denial of the claim made in behalf of the steamboat, that, in a fog so dense that an approaching vessel, with all proper lights, cannot be seen at a distance of 300 feet, (which, in this case, is less than the length of the steamer,) a steamboat may continue her course at full speed, or very nearly at her highest speed, without being charged with the damages, if collision is caused thereby. The struggle made here is not new, and this Court is gravely urged to excuse the steamboat, by proof that masters of steamboats do, in fact, run, in a fog, at the same speed as in clear weather,

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that the navigation of the steamer is conducted more safely by so doing, and that the profitable conduct of the business of a passenger steamboat requires it, for, otherwise, it could not make its proper time, and patronage would be wanting. Utter disregard of the safety of other vessels is thus made the rule of navigation by such steamboats. No such considerations can be permitted to justify conduct so reckless, so at war with the settled rules of navigation by the maritime law, and clearly in the face of an express statute, which requires steamships, in a fog, to go at a moderate speed, and which the Court is asked to practically repeal. (*Act of April 29th, 1864, art. 16, 13 U. S. Stat. at Large, 61*). The proof here, from the steamboat herself, is, that she was running at the rate of 16 miles an hour, her usual speed, her maximum speed being only 18, uninfluenced by a fog so dense that her navigators could not see an approaching vessel less than her own length distant, and this, too, when the wind was blowing from behind her, and greatly diminishing the chance that she would hear any signals from such approaching vessels. It is not necessary to enlarge upon the recklessness of this conduct; and I only add, that, upon the other questions at issue on the merits, the decree of the Court below was clearly in accordance with the weight of the evidence.

2. As to the damages. Since the decision of the two cases cited by counsel, (*The Catharine, 17 How., 170, and The Baltimore, 8 Wallace, 377,*) there ought not, I think, to be any doubt as to the rule governing the ascertainment of damages in this case. The barque was sunk by the collision, in Long Island Sound. To save their lives, the master and crew were taken on board of the steamboat and brought to New York. The sunken vessel was discovered by the master of another vessel, who, with the assistance of a wrecking company, raised her, and took her to the port of New Haven, where they libelled her for salvage, and she was sold, and the purchaser repaired her, so far as he deemed it practicable or expedient. The collision, and an injury to the vessel, nor even the sinking of the vessel, did not, *per se*, give to her owners a right

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to abandon her and claim from the steamboat her full value. On the other hand, if, as matter of fact, to be established by proper evidence, the vessel could not be raised and repaired except at an expense exceeding her value when raised and repaired, then the steamboat which caused that condition of things is liable for such value, as of the date of the injury, whether such vessel is raised or not. This is not upon any theory of the right of abandonment, as known in the law of insurance, but is because, both in fact and in law, the loss is total. How such a state of things is to be established, when a vessel is not raised, or by what evidence, it is unnecessary here to consider. If the fact be proved by competent evidence, then it is for the interest of the party in fault that he be permitted to indemnify the owners by paying such total value, and the owners cannot be required to accept less than than that value. If the vessel be, in fact, raised and repaired by her owners, the party in fault must pay the amount which it costs to repair her, so that she shall be as good as she was before the collision, together with a just compensation, in the nature of demurrage, for the loss of her use for the period necessary to raise and repair her. It is not necessary, for the purposes of this case, to say, whether, if such expense of repairs and loss of use exceed the value of the vessel before the collision, the wrong-doer can reduce the recovery to such value and interest. A case may occur in which the folly of attempting to raise and repair the vessel may be so obvious, and the injustice to the wrong-doer, of charging him with expenses which ordinary care and prudence would show to be unwise and unprofitable, so apparent, that nothing more than the original value and interest should be allowed; and, on the other hand, there may be cases in which the owner, acting in good faith, and with the care and prudence of prudent men in the conduct of their own affairs, deems it best to raise and repair the vessel, in the honest belief that something of value will be saved thereby, and yet the actual cost, together with the loss of the use of the vessel, may be so great, as to show, in the end, that it would have been a saving had he left

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the vessel where she lay, and purchased another vessel for his use. How far his good faith and exercise of care, prudence and judgment may avail to enable him to claim full reimbursement and complete indemnity, in such case, it is not here material to say. Bringing these contingencies into view may, nevertheless, be of use to illustrate the case now presented. Here, the vessel was, in fact, raised and was repaired. The proofs do not show a condition of things, at and immediately after the collision, which will warrant the owners of the steamboat in saying that the vessel ought not to have been raised and repaired. They do not claim that she ought to have been left where she lay, but the contrary. Now, one of two alternatives was before her owners—1st, to leave her, and assume the burthen of showing a justification, by proof that it would cost more to raise and repair her, so as to be as good as she was before the collision, than she would be worth when repaired, or, at least, that such cost and the loss of her use would exceed such value; or, 2d, to raise and repair her, or cause her to be raised and repaired, and look to the wrongdoer for the expense and for such loss. Here the owners of the vessel did nothing, themselves. (1). If they have proved, that raising and repairing, properly conducted, would cost more than her value, then, as above stated, they are entitled to such value. The Commissioner has found the fact, that it did actually cost more to raise and repair her, so far as she was repaired, than she was worth when the repairs were done, and, although counsel have criticised some of the items included by him in estimating such expenses, I think the proofs sustain his finding; and this, it will be seen by his report, is without any allowance for the use of the vessel during the time in which, had the owners themselves made the repairs, they must have lost such use. True, the value of such use was not proved, so as to furnish a ground of estimate; but, this leaves the naked finding, that the cost of repairs alone exceeded her value when those repairs were finished. Besides this, the proofs show, that, if the purchasers had made the repairs so extensive as to put her in the same condi-

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tion as she was in before the collision, the expenses would have very greatly exceeded her value at that time, and would have been much more than the Commissioner reported as her value. (2). The owners themselves, having done nothing, and having undertaken to show, that, to raise and repair the vessel would cost more than she would be worth when repaired, it was entirely competent for the owners of the steamboat to insist that she was, in fact, raised and repaired. They do so, and that it was the duty of her owners to raise and repair her. It, therefore, becomes immaterial, whether the raising and repairing was actually done by the owners or by third persons. They may adopt the act, so far forth as actual experience proved that it cost, and would have cost them, at least her value, to raise and repair her. It is for that purpose, and to justify them in claiming her full value, as an indemnity, or, rather, in claiming that nothing less than her full value could be an indemnity, that the experience of the purchasers becomes important; and it is just as important and influential, to that extent, as if all that they did was done as the agents of the former owners. No rule of law was, therefore, violated, in allowing to the owners the full value of their vessel.

Upon the amount of that value there was a great conflict of evidence. I do not think that the testimony taken in this Court materially changes the state of the proofs, in that respect. No doubt, the Commissioner has allowed full value. Possibly, on an original examination of all the proofs, I might have thought an amount somewhat less would be an indemnity to the owner, but, the witnesses were many of them examined in the presence of the Commissioner, and he had an opportunity to see them, and judge of their manner of testifying, and, so, of their credibility, and the weight to be accorded to what they testified. I do not think, that, either upon the value of the vessel, or of the articles lost by the officers and crew, the finding of the Commissioner should be disturbed.

The result is, that the decree of this Court, in affirmance

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of the decree of the Court below, must award to the owners of the barque the damages and costs decreed below, and the suit against such owners must be dismissed, with costs of the appeal.

Charles Donohue, for the barque.

Dudley Field, for the steamboat.

APPENDIX.

I.

PROCEEDINGS BY THE BAR OF THE UNITED STATES COURTS FOR THE SECOND CIRCUIT, ON THE RETIREMENT OF MR. JUSTICE NELSON FROM THE SUPREME COURT OF THE UNITED STATES.

The Bar of the United States Courts for the Second Circuit will meet in the United States Circuit Court room, on Friday, January 17th, 1873, at 2 o'clock, P. M., to take action upon the retirement of Mr. Justice NELSON from the Supreme Court of the United States.

Edwards Pierrepont, Geo. Ticknor Curtis, George Gifford, Murray Hoffman, Erastus C. Benedict, William M. Evarts, James W. Gerard, Theo. W. Dwight, Charles O'Connor, Edwin W. Stoughton, Joshua M. Van Cott.

At a meeting held in pursuance of the foregoing notice, and on motion of Joseph S. Bosworth, Charles O'Connor was elected President.

On motion of Sidney Webster, the following gentlemen were chosen to be Vice-Presidents: James W. Gerard, Murray Hoffman, Edgar S. Van Winkle, Joseph S. Bosworth, Welcome R. Beebe, Henry Nicoll, John McKeon, Erastus C. Benedict, John K. Porter, Henry E. Davies, Edward J. Phelps, John Ganson, George B. Hibbard, Lyman Tremain, Francis Kernan, Henry R. Selden, Samuel Hand, Richard D. Hubbard, Charles R. Ingersoll and Henry E. Stoughton. Clarence A. Seward named as Secretary of the meeting, Sidney Webster.

The meeting having been thus organized, the President said:—
Brethren of the Bar:

The great lawyer who for half a century has been practically the very life and light of our jurisprudence; has retired from active duty. His illustrations of practical justice remain for our enlightenment and will descend to posterity. In these—his gifts to man—the present and the future are participants alike;

but in some things we are exclusively his beneficiaries. His magnificent demeanor on the Bench was a model of all the judicial graces. In that high place his princely bearing and lion front inspired every honest suitor with confidence, while it paralyzed the most audacious guilt. These things we have witnessed and will ever remember; but neither tongue nor pen can convey to future times an adequate portraiture of them. These memories and the pleasure of contemplating him in the serenely tranquil retirement which closes his great career are our own. The Augustan age of our jurisprudence, when Wells and Emmet argued the causes which Kent and Spencer decided, is happily connected in history with all that is now recognized as best and purest by the period which NELSON adorned. Patriotism and professional pride can hope for no more than that the rising lawyers of to-day may sustain and transmit to worthy successors the great fame derived by their class from such high sources and through such a noble channel.

Edwin W. Stoughton then moved that a committee of five be appointed by the Chair to prepare an address to be presented to Mr. Justice NELSON, which motion having been adopted, the following gentlemen were named by the President as such committee: Edwin W. Stoughton, Benjamin D. Silliman, Theodore W. Dwight, George Gifford, Cornelius Van Santvoord.

The committee, after consultation, presented the following address:

To the Honorable SAMUEL NELSON:

SIR:—Your retirement from the Bench of the Supreme Court of the United States, after a judicial service of more than forty-nine years, is an event which the members of the Bar of the Federal Courts cannot allow to pass into history without connecting therewith the expression of their profound sense of the solid benefits conferred by your labors and example upon the Bar and people of this country.

Appointed at an early age to the Bench of the Circuit Court of the State of New York, you commenced your judicial career under a system which pledged to you a long and independent tenure; in return for which, you devoted to the discharge of your responsible duties, faculties and acquirements which singularly fitted you to administer justice among men. You brought to this work great energy, a noble ambition, an earnest love of justice, absolute impartiality, an elevated conception of all the duties of a magistrate, united with a judgment of unsurpassed soundness. Acknowledging responsibility only to your conscience, to the law, and to your God, you early won the confidence of a Bar, among whose members were numbered some of the greatest lawyers of the last generation. From the Circuit Court of the State you were advanced to the Supreme Court, and there you proved yourself worthy to sit in the place of the great Masters of jurisprudence who had preceded you, and whose reputations will endure forever. Again you were advanced, and the Bar, with pride, saw you robed as Chief Justice of the State. As such you presided for many years, and had your judicial career terminated with the resignation of that office, the records of jurisprudence would have transmitted your name to posterity as that of a great and just judge.

Your labors were not thus to end. You had administered justice for the period of twenty-two years. During that time you had mourned the departure of many members of that illustrious Bar, which had greeted your entrance into judicial life. Around you had grown up a younger Bar, to whom you were an object of admiration and reverence. You had served the State of your nativity well, and well had you maintained the State and even national fame of the Court over which you presided. Your opinions there delivered will long stand as examples of the right application of established legal principles, exact learning and sound common sense to the cases presented for judgment.

More than twenty-seven years ago, in the full maturity of your powers, you were appointed an Associate Justice of the Supreme Court of the United States. There, and at the Circuit, you encountered new and untried questions. The law of nations, of admiralty, of prize, of revenue, and of patents, you mastered, and, as those who now address you can bear testimony, administered with unsurpassed ability. With critical accuracy you studied and applied a vast amount of legislation and a multitude of rules, comprised within the special branches of jurisprudence you were compelled to administer.

The benefits you conferred did not consist solely in bringing, as you did, to the investigation and decision of causes, a deep insight—a judgment matured by long and varied experience and solid learning—the fruit of a life of study and reflection. Your kind and generous treatment of young lawyers ever encouraged them to renewed exertion; and, in struggling to deserve your approval, they were inspired by a worthy ambition, for they knew that your standard of professional excellence was high, and that to win your approval was an earnest of future distinction.

Beyond all this, you have afforded to the Bench of this country an example by which the wisest and best of its members have profited, and, by your long and spotless life as a magistrate, you have added dignity and lustre to the history of our jurisprudence; for, whilst the degradation and corruption of the judges of a nation inflict upon it an offensive, a revolting blot, their independence, their purity and their learning have ever written the proudest annals of national life.

There are among those who now address you, many who have so long been accustomed to your presence upon the bench, that they will never be quite reconciled to your absence. They will sometimes earnestly wish that you could have remained to steady them in the performance of their duties, until the close of their professional career. Nevertheless, all who now address you will never cease to be thankful, that upon your retirement to your family and home, it can be said of you as was said of Lord Mansfield: "It has pleased God to allow to the evening of an useful and illustrious life, the purest enjoyments which nature has ever allotted to it, the unclouded reflections of a superior and unfading mind over its varied events, and the happy consciousness that it hath been faithfully and eminently devoted to the highest duties of human society."

Earnestly hoping that these blessings may be enjoyed by you for many years, the members of the Bar who unite in this tribute to your worth, remain forever your friends.

Edwards Pierrepont, in moving the acceptance of this report, addressed the Chair as follows :

Mr. Chairman :

When eminent men have died, it has been the custom among civilized nations to take some public notice of the event. But the number of those who have voluntarily retired from a great office are so few, that it can hardly be said, that any custom touching such retirement has been established ; the rarity of this occasion makes it the more noted, and for every reason it was most fit that you, Mr. Chairman, should have been selected to preside at this unusual meeting of the Bar.

When a man in his early prime resigns a high office to enter some broader field of ambition, or to seek new gratifications in the pursuit of wealth, he neither deserves nor receives any especial marks of approbation from his fellow-men. But when one has spent a long life in the public service, and has so borne himself in his great office as to command the respect of every honest citizen, and at the call of duty lets go his hold on power, while all his faculties remain, he is a man so rare as to attract more than a passing notice ; and we have met to say something of this grand old man who was eighty years old the 8th of November last, and who, by continuing three months longer, would have had an uninterrupted career of judicial life full fifty years. We search in vain for a career like this ! How nobler is it, than to have clung feebly to his place until death pulled him reluctant from his seat. How like the man, how in harmony with his high sense of duty, was his retirement from an office in which he, sooner than others, felt that the burden of his years might possibly diminish his usefulness. No pride, no love of power, no vanity stood for a moment in his way ; a lofty sense of duty governed him in the end as at the beginning, and as all through his life. It was well known, if Judge NELSON retained his office until April next, that the half century of his judicial life would then be complete, and many supposed that the natural desire to fill up the fifty years would prolong his stay upon the bench ; but those well acquainted with Judge NELSON knew that the high tone of his character would not allow him to retain the office one day after he became satisfied that he could not fully discharge its duties.

Lord Mansfield, the Chief Justice of the King's Bench, resigned at the age of eighty-three. He had been upon the bench thirty-two years. Between Judge NELSON and the Lord Chief Justice there were some striking points of resemblance. So noted was Lord Mansfield for preferring substantial justice to musty precedent, and so firmly did he believe in the flexibility of the common law, and that its rigid rules should bend to new exigencies in the advancement of commerce, of science, of civilization and humanity, that it was a common thing for the old lawyers to sneer at what they called " Lord Mansfield's Equity Judgments ;" and Junius, in a letter addressed to the Lord Chief Justice, November 14th, 1770, says : " Even in matters of private property, we see the same bias and inclination to depart from the decisions of your predecessors, which you certainly ought to receive as evidence of the common law. Instead of those certain positive rules by which the judgment of a Court of law should invariably be determined, you have fondly introduced your own unsettled notions of equity and substantial justice. Decisions given upon such principles

do not alarm the public as much as they ought." The public were not alarmed ; the public saw that Lord Mansfield was right, and that "equity and substantial justice" was what good men desired, and not inequity and injustice, in deference to worn-out precedents unsuited to the advancing times. In earlier years we heard the same criticisms from old lawyers about the rulings of Judge NELSON, and almost in the same language ; but the names of those who censured Lord Mansfield and Judge NELSON for their adherence to "equity and substantial justice" are already forgotten, while both of these great jurists will be held in reverence so long as the common law continues to be administered.

In the construction of statutes of the United States, subtle and unsubstantial technicalities, interposed to defeat justice, had small chance of success where Judge NELSON was presiding. At the trial of the great frauds of Kohnstamm, I was employed by the Government to conduct the prosecution ; several of the eminent lawyers here present were engaged for the defence, and one, now no more—the lamented and much beloved James T. Brady—whose great legal abilities would have made him distinguished without the aid of his more brilliant and unparalleled rhetorical powers. Mr. Brady, with his usual eloquence and skill, summed up the case for the accused ; but the jury found the defendant guilty ; and upon remarking to Mr. Brady that the jury were prompt, and that I feared a disagreement, "I had hoped it," said Mr. Brady, "until the charge, but what could I do against that old lion there ?" turning towards the Judge, as he sat kingly upon the Bench, and looking like a veritable old lion, as he was.

Nature did much to make Judge NELSON what he has been. Nature gave him a commanding presence, a strong constitution, an even balance of the passions and the intellectual faculties, a genial soul and great vital forces, a natural love of right and substantial justice, a resolute will and an honest heart ; a mind, body, and a moral tone, healthy, manly and robust. Culture did greatly aid him ; but his natural endowments were vast. He did not deserve much credit for being a great, just man ; he could not help it very well. It was natural and easy ; and his life flowed on as the strong current of a river. It would be interesting and instructive to have his brother judges of the Supreme Court give their estimates of Judge NELSON's characteristics and judicial abilities. I have frequently heard several of them speak of their eminent associate, and quite recently the Chief Justice has expressed unmeasured admiration of the easy facility, wisdom, ability, and remarkable character of him whose retirement from the Bench the Chief Justice considers an irreparable loss to himself personally, and to the public service generally.

The influence of Judge NELSON upon the New York Bar has been very great. The tone and manners of the Bar will always depend upon the tone and manners of the Bench. Good temper, courteous manners, and dignity of deportment are very important, if not essential, in the administration of justice. The Bar and the Bench will ever go hand in hand and quite abreast in every respect, and the community are quick to discover the fact ; and great merchants and men of business will not entrust their important interests to a Bench and a Bar composed of inferior men ; and so sure as you degrade the Bench, you degrade the Bar ; and, with equal certainty, you thus drive the important business from the lawyers and the Courts, and other means of adjusting differences of magnitude will be found.

Judge NELSON took no active part in politics; but no man was a more close or more interested observer of public affairs. In the distracted times of 1860, when the Democratic party looked around for a candidate who could unite the North and South, and command the confidence of the entire country, Judge NELSON seemed to be the only man; the sole difficulty in the way was the fact that he was a member of the Supreme Court; and the sentiment of the people seemed then, as now, to be, that, when a man enters that temple of justice, and puts on the robes of office, he shall never make the sacred seat a stepping-stone from which to ascend to any political place.

When the Governments of Great Britain and of the United States undertook a negotiation which resulted in the treaty of Washington, our sagacious Secretary of State, with that good judgment for which he is distinguished, selected (by the approval of the President) Judge NELSON as one of the High Commissioners; and the crowning act of a great career in the public service was the prominent part he took in concluding that treaty, by which enduring peace between these two great nations, speaking the same language, governed by similar laws, and worshipping the same God through the same religious forms, was secured.

The Lord Chief Justice Mansfield lived five years after resignation of his office. May our equally great and equally respected Judge live many times those years, if he so wishes, and God wills; "and when old Time shall lead him to his end, Goodness and he fill up one monument."

On the conclusion of the remarks of Mr. Pierrepont, the meeting was addressed by Clarence A. Seward, who said:

Mr. President:

It is with unfeigned satisfaction that I concur in the adoption of the proposed address. It is meet and right that the evening of a well-spent life should be brightened, ere its close, by the commendation, "Well done, good and faithful servant." The utterances of approval are more timely now than if postponed till sorrow tempered them. Better is it to say to the living, "Thou art worthy of honor," than to reserve the recognition for eulogy and mausoleum.

For thirty years have respect and friendship, formed in school-boy days at Cooperstown, grown stronger, and with them both is mingled an affection which, to-day, finds cause for regret that professional intercourse must henceforth cease. For many repeated words, kindly suggestive of patience, hope and promise, I am to-day the debtor of him in whose honor we are gathered here. Therefore it is that I appreciate the privilege of acknowledging my obligations, and of uniting with those who are here assembled, to testify to him the high regard in which he has been held by those among whom his lifetime has been spent.

No one feels more grateful than I do, that we are not assembled here as a brotherhood in mourning, but to testify our affectionate regard for one who still lives, as is so felicitously stated in the address, "to enjoy the happy consciousness that his life has been faithfully and eminently devoted to the highest duties of human society."

It is not necessary that one should have passed away to insure an example worthy of emulation. There are three characteristics of Mr. Justice NELSON, which conspicuously marked his judicial career, and which may be mentioned

in his lifetime, without trenching upon propriety, as worthy of observance. They are his calmness, courtesy and dignity.

His calmness was imperturbable, and never deserted him. Procrastination and ignorance could not disturb it. Ill temper could not ruffle it. It held himself in check, and restrained the ebullitions of others. It permeated the atmosphere of the forum, and insured confidence and decorum.

His courtesy was natural, and therefore always manifest. It insured a patient hearing, and its silent influence, teaching by example, secured the courtesy of all. If it failed in so doing, a kindly word from him restored the broken harmony.

His dignity was his own, not borrowed. It was nature's outward clothing of the gentleman within. It repelled familiarity, as it forbade insult, and it imparted itself alike to counsel, witnesses and jurors. It "grew with his illustrious reputation, and became a sort of pledge to the public for security."

These three qualities are said to have been the attributes of Lord Mansfield, but his biographer assures us, "that he had a serious defect, a want of heart." No biographer of SAMUEL NELSON will ever make that charge against him. Contemporaries and tradition will alike refute it. That he has a large heart, filled with human kindness, those who knew him best can best attest. It acted like a magnet in the court room, and drew from every one respect, which, longer continued, ripened into affectionate regard. It insured for the younger members of the Bar a manifestation of attention, precisely equal to that which was bestowed upon older and more able advocates. It sympathized with nervous inexperience, and was itself too tender to wound by biting sarcasm or harsher jest. It could be just to one not liked; more than that—it could be just to a friend, and in so doing, rise superior to apprehensions of possible hostile comment.

Of his logical understanding, quick perception, judicial abilities and juridical knowledge, there is no occasion now to speak. They are evidenced for ourselves and for posterity in the "Reports," and need no encomium now.

I never heard but one criticism upon his conduct as a judge, and that was the old one made of a celebrated English judge, that "he did not despatch matters quick enough." This complaint is to be answered now, as it was answered when made two hundred years ago: "But the great care he used to put suits to a final end, as it made him slower in deciding them, so it had the good effect that causes tried before him were seldom, if ever, tried again." When they were decided, whether verbally or in writing, the decision was couched in a few apt and expressive words, for he seemed to believe in the maxim of Lord Bacon, that "a much-speaking judge is not a well-tuned cymbal."

Our regret here to-day is, that he will no longer preside among us; that he has asked for his "writ of ease," and to be relieved from the duties of his office, and almost in the language of one of the Chief Justices of England, addressed to Charles II, because "he could not, in good conscience, continue in it, since he was no longer able to discharge the duty belonging to it."

In his retirement, so honorably sought, he carries with him the respect, the veneration, and the affection of that Bar which knew him best.

Mr. President, when Sir Matthew Hale died, his friend Baxter purchased a Bible, in which he placed a print of the deceased judge, and underneath it he

wrote these words: "Sir Matthew Hale: That pillar and basis of justice, who would not have done an unjust thing for any worldly prize or motive, entered on, used, and voluntarily surrendered his place of judicature with the most universal love, and honor, and praise that ever did English subject in this age, or any that just history does record." What was true of England's most venerated Chief Justice is equally true now of New York's most venerated Judge.

Professional ties are broken here to-day, never to be reunited. Those of friendship still remain, and across them, as across the cable, we send our New Year's greeting to our retired Chief in his country home, with our benedictions for his instruction and example. We can see the frosts of eighty years gathering upon his honored brow. It is our gratification, as it is his, to know that their whiteness and purity are rivalled by his judicial robes, worn for half a century, without spot or blemish.

In seconding the motion for acceptance, William M. Evarts spoke as follows:

It is our expectation, Mr. Chairman; that appropriate committees will be appointed to present this Address to Judge NELSON, in the name of his brethren at the Bar, to the United States Circuit Court of this District, and to the Supreme Court at Washington, and, in connection with the Address and with these dispositions of it, appropriate to our feelings and our duty, I may be permitted to say a few words. When you notice that, in the year 1821, Judge NELSON was a member of the Constitutional Convention of this State, and that in the year 1871 he was a member of the great diplomatic body which disposed of all differences between Great Britain and his own country, you have included, as between the points of the compasses, a great span, I will not say in the life of a man, but in the life of this nation. And, in naming these two great public trusts that he has discharged, you have exhausted the list of all his public duties, all his public services, and all his public honors that do not belong exclusively to the profession of the law and the distinctions of the judiciary. Now, we must consider how large a combination of what constitutes the fame of very many celebrated men is united in the fame and the services of Mr. Justice NELSON. As the Address has noticed, while exhausting the honors and filling out the services of the highest judicial stations of the State, he justly earned, by the manner in which he discharged these great duties, a place by the side of the most eminent lawyers and judges whom the State has produced. From the moment that he was transferred to the Federal judiciary, until his retirement, the general judgment, not only of this Bar and of this community, but of the Bar of the United States, and the sense of the country at large, confirm his position as on a level with that of the most celebrated judges of the nation. Again, if we compare him with those who have gained great fame, among ourselves or in the mother country, in the different departments of the law—as common-law judges, as equity judges, as admiralty judges—who is there but must concede that in the number of his causes, in the magnitude of his judgments, in the wide comprehension of the principles which he applied in each of these different departments of the law, he stands now, in his old age, to be compared with such masters in those separate departments as Sir William Scott, Lord Eldon, Lord Mansfield, Dr. Lushington, Kent, Spencer, Tilghman and

Shaw. We find also, in this extraordinary life, no defect apparent, and nothing wanting. We mark a collective force and strength of varied and prolonged service and of sustained credit in his career, which are not to be conceded to any single life of judicial distinction, either in England or with us. He had, by the lofty discharge of the great trusts confided to him, in the language of Lord Bolingbroke, "built up about him that opinion of mankind, which, fame after death, is superior strength and power in life." Wherever he moves, in whatever attitude he is regarded, these traits of dignity and force of character must always be accorded to him.

My own personal observation, Mr. Chairman, covers the whole period of Judge NELSON's services in the judiciary of the nation, and carries me back through a few years of his latest service as Chief Justice of this State. He signed the warrant for my practice as an attorney. My first knowledge of him, probably, was at the term of the Court at which I received it, and subsequently during the three or four years while he remained on that Bench, I had the good fortune to make his personal acquaintance, and the honor to make arguments before him in several suits. I argued, I think, before him one of the very first causes of much importance after he took his seat here, in the Circuit Court of the United States, being a re-argument of a cause which I had argued before Judge Thompson, and his death had left undecided. From that time to this, in New York, in Vermont, and at Washington, socially and professionally, I have enjoyed his kind friendship, and he has ever been present to my personal and professional admiration.

Mr. Chairman, Archbishop Whately, in his Notes to Lord Bacon's Essays—which, I believe, scholars and moralists regard as a not unworthy commentary on so celebrated a text—has drawn a contrast between the relations to the community of a great lawyer and of a great judge, that is more pointed than it is flattering to those of us who adhere to the Bar—more pointed, perhaps, than is just. He says, in substance, for I quote only from distant memory, that when a pre-eminently great advocate dies, or is withdrawn from the service of the law, it by no means follows that the public or the administration of justice thereby suffers a loss. For, as he suggests, the great interests of society demanding, and the whole judicial establishment existing for, the perfection of the administration of justice among men, where an advocate has so far outgrown his fellows as greatly to overmaster them by his eloquence, by his learning, by his will, by his fame, and, so, suitors find at their service no equal weight to throw into the scales of justice against him, perhaps the community, instead of losing, gains something by the subtraction of this disturbing force. But, this critic adds, with regard to a great and eminent judge, there arises no such question. His talents, his powers, his authority, his name, his fame, are wholly committed to the general interests of the whole community, and when he is withdrawn from the scene of his labors, and from their beneficent distribution and activity, it is, for the moment, as if the sun were taken from the heavens. Do we not all agree that, if this be true of any judge, it is true of Judge NELSON?

Now, Mr. Chairman, may we not all be permitted to feel, at this point in this remarkable life, and before the end, death, has set its coronation to its illustrious work, that we may assign to Judge NELSON a place by the side of

Eldon and Mansfield, of Kent and Spencer, of Shaw, of Marshall, and Taney, among those who share the lustre of the Homeric eulogy of men "renowned for justice, and for length of days." Indeed, sir, in face of the classic caution against premature judgment, we still fear no imputation of rashness in pronouncing this life fortunate, although it has not reached its close.

The Address presented by the committee having been adopted, it was then resolved, on motion of Edwards Pierrepont, that it be signed by the officers of this meeting, and presented to Mr. Justice NELSON. The following Committee of Presentation was appointed by the President: Edwards Pierrepont, Edwin W. Stoughton, Clarence A. Seward, Edward H. Owen, Charles M. Keller, William M. Evarts, Sidney Webster, Thomas C. T. Buckley, Joshua M. Van Cott, John E. Ward, Samuel L. M. Barlow, Aaron J. Vanderpoel, James Thomson, Augustus F. Smith, John Sherwood.

It was then moved by Edwin W. Stoughton, that a committee be appointed by the President to present the Address and the proceedings of this meeting to the United States Circuit Court for the Southern District of New York.

An amendment thereto was offered by Clarence A. Seward, that the President of this meeting be Chairman of this Committee, which having been put to vote by Mr. Seward, and accepted by the meeting, and the original motion having been adopted, the President, in pursuance thereof, added the following gentlemen as members thereof: James W. Gerard, John McKeon, Daniel D. Lord, Benjamin D. Silliman, Joseph H. Choate, Stephen P. Nash, James C. Carter, Charles Donohue, George Bliss, Jr., Charles M. Da Costa.

A motion of William M. Evarts was then adopted, that a committee be appointed by the President, to present the Address and the proceedings of this meeting to the Supreme Court of the United States at Washington; and the following gentlemen were appointed to form such committee: William M. Evarts, Edwards Pierrepont, Edwin W. Stoughton, George Ticknor Curtis, Samuel J. Tilden, George Gifford, Charles M. Keller, Charles F. Blake, Sidney Webster.

John K. Porter moved that a committee be selected by the President, of which Edwin W. Stoughton be chairman, to present the Address and proceedings of this meeting to the Court of Appeals of the State of New York, at Albany, which having been carried, a subsequent motion was made by Mr. Porter and adopted, that the Chair be authorized to name the members of this committee after

the adjournment of this meeting. The following gentlemen were subsequently selected by the President: Edwin W. Stoughton, John K. Porter, Francis Kernan, Lyman Tremain, Samuel Hand.

On motion of George Gifford, the meeting adjourned.

CHARLES O'CONOR, *President*.

SIDNEY WEBSTER, *Secretary*.

PRESENTATION OF THE ADDRESS.

In fulfilment of the agreeable duty imposed upon the Committee appointed to present the foregoing Address, Mr. Stoughton, Mr. Seward, Mr. Owen, Mr. Keller, Mr. Webster, Mr. Buckley, Mr. Vanderpoel, and Mr. Thomson, waited upon Mr. Justice NELSON at his residence in Cooperstown, on Wednesday, the 12th day of February, 1873. The Committee invited the Circuit and District Judges of the Federal Courts for the Second Circuit to accompany them as their guests. Judge Woodruff (the Circuit Judge), and Judges Benedict and Blatchford (District Judges), accepted the invitation. Judges Shipman, Hall, and Smalley were unable to be present. Mr. Justice NELSON informed the Committee that he would be pleased to receive them and the Judges in his house at two o'clock. The attendance of Mr. Pierrepont, the chairman of the Committee, having been prevented by illness, Mr. Stoughton was chosen in his place, and introduced the Committee, and the purpose of its presence, by the following remarks :

Honored Sir :

We appear before you to-day as a Committee of the Bar of the Second Circuit, appointed at a large meeting of the members thereof, lately held in the city of New York, for the purpose of taking action upon your retirement from the Bench of the Supreme Court of the United States, after an uninterrupted judicial service of nearly fifty years. That meeting was presided over by the leader of the Bar, Mr. Charles O'Connor, and the members of the Bar composing it unanimately adopted an Address, which, with their entire proceedings, as there recorded, they have instructed the Committee to present to you. We are here to discharge that agreeable duty. We are here upon a mission of deep interest to the Bar we represent, and, as we believe, to the Bench and to the country—to the Bar, because it owes to you reverence and honor for your long, unwearied service in encouraging and instructing them; to the Bench, because it is your debtor for the noble judicial example you have recorded for its guidance; to the country, because you deserve its gratitude for the devotion of your life to its service, in the performance of duties the most arduous and the most useful which man can perform for his fellow-man. That distinguished members of the Bench share these sentiments with us, is illustrated by the appearance before you upon this occasion, of Judges Woodruff, Blatchford, and Benedict, whose reputations

have already become national, and who, laying aside other pressing engagements and duties, have come to you from afar, at this inclement season of the year, to manifest by their presence the interest which they feel in this most unusual ceremony. The other Federal Judges of the Circuit in which you so long administered justice would have also been here, had not imperative engagements elsewhere prevented, as they have signified by letters which this Committee will hand you. The Committee regret that the sudden illness of their chairman, Judge Pierrepont, has prevented his attendance here. In consequence of this, he who addresses you has been appointed in his place; and now, in discharge of the duty imposed upon the Committee, we read to you the Address of the Bar, which we are instructed to present.

Mr. Stoughton here read the Address, and, in delivering it to Judge NELSON, with a copy of the proceedings of the meeting, added:

In delivering this to you, as we now do, we tender to you our most heartfelt respect and reverence.

Judge Woodruff then addressed Mr. Justice NELSON as follows:

The members of the Bench of the Circuit over which, Honored Sir, you have so long presided, desire to express their cordial concurrence in the sentiments of the Address tendered to you by the Bar of that Circuit.

So truthfully and so well those sentiments are expressed in that Address, that we should weaken its force and gracefulness, and diminish the pleasure of this occasion, if we were to attempt a reiteration, on our own behalf, of what has been there stated. As members of the Bench, we may, however, add, that your long experience and the learning and wisdom you have brought to the discharge of the duties of your high position have lessened our labors, enlightened our understandings, eased the burden of our responsibilities, and greatly furnished us for the performance of the duties we have yet to discharge; which we have to discharge, I regret to say, without the present aid, counsel and advice we should receive from you had you deemed it wise to continue in the position from which you have now retired.

Your learning has instructed us; your example has stimulated and encouraged us to a higher estimate of judicial worth, and has awakened a nobler ambition to do what belongs to our several duties so as to gain a kindred, though it be a humbler, appreciation when our work shall be finished.

By that example our pathway is made luminous, and the grace and dignity which adorn the judicial office is constantly presented to us. A judicial life of fifty years! marked, all along its array of days and months and years, by learning, integrity and a pure conscience, and by the honor, respect and confidence of your fellow-men. Our sincerest wish can offer to you no higher or warmer expression of our admiration and regard than the earnest prayer that we may be able, in our stations, to deserve some reasonable proportion of the esteem now so justly and so cordially felt for you.

I have, further, only to say: may the days be yet many in which you shall go in and out before us in reverence and in honor. May your last days be your best days; and may they be crowned with that reward which is the true aspiration and the blessed hope of a Christian life.

Mr. Justice NELSON made the following reply :

Gentlemen of the Committee :

I cannot but feel extremely honored by this Address of my brethren of the Bar, on the occasion of my retirement from the Bench, not more from the friendly and complimentary opinions therein expressed than on account of the unusual and extraordinary mark of respect and affection with which it has been presented; and I am the more deeply impressed with this manifestation from the consideration that the gentlemen of the Bar who have originated and promoted this honor, some of whom are before me, have been themselves not only eye-witnesses of the judicial administration which they so favorably commend, but in which many of them largely participated in their professional capacity. I shall ever recur to the sessions of the United States Circuit Court held in the city of New York, extending over a period of more than a quarter of a century, with pride and pleasure. The calendar was large, and many of the causes important, involving great labor and responsibility. As an evidence of the magnitude of the business for many years, the Court was held three months in the Spring and three in the Autumn of the year, and still left an unfinished calendar. But the gentlemen of the Bar concerned in the trials were intelligent, faithful to their clients and to the Court, whose learning and diligence in the preparation greatly relieved the Judge of his labors, and whose professional deportment and respect banished from the Court room every disturbing element, leaving free the full and undivided exercise of the faculties of Court and counsel in their inquiry after the truth and justice of the case. No one knows better than the presiding Judge how essential this state of feeling between the Bench and the Bar is, not only to the ease and pleasure, but to the sound and successful administration of the law. I have said that the gentlemen of the Bar who have originated this unusual honor have been eye-witnesses of the judicial services so highly commended. On the other hand, I can say that I have witnessed their professional career from the beginning, and until their present eminence, many of whom hold my license to practice when Chief Justice of the Supreme Court of the State. The eminent chairman of the meeting, Mr. O'Connor, the eldest of them, is scarcely an exception. The first session of the Supreme Court of the State, after my appointment as Associate Justice, was the May Term of 1831, held in the city of New York, more than forty-one years ago. He was then a young counsellor, just rising in the profession. He held a good many briefs in cases before the Court from the young attorneys, and was struggling upward manfully and with youthful ardor, contending for the mastery, against the aged and elder counsellors at the Bar—Jay, Ogden, Colden, Munro, the elder Slosson, Sherwood, Anthon, Duer and others, who then held almost a monopoly of the business before the Courts. The prevailing impression had been, and to a qualified extent was then, among the junior members of the Bar, that the experienced seniors had the ear of the Court. This, according to tradition among them, had been undisguisedly so, and to a much larger extent, before the old and revered Supreme Court of the State. But even at the time I speak of, this feeling in the Court, and which was perhaps not unnatural, had not entirely disappeared. It required, therefore, ability, courage, and resolution on the part of the junior to encounter this impression, which he must in some degree have felt in the trial of

strength against the experienced and favored senior. In the country, where I have always resided, Talcott, a young counsellor, remarkable for intellectual power and legal learning at his age, led the way, under some discouragements, in the trial and argument of causes before the Circuits and *in banc*. Other juniors, taking courage from his example, followed. He was afterward Attorney-General of the State, the youngest counsellor, I believe, ever appointed to that office in New York at the time, with, perhaps, the exception of Josiah Ogden Hoffman, among the earliest of the Attorney-Generals. I was still young when advanced to the Bench of the State, and, as was perhaps natural, my sympathies inclined toward the younger members of the Bar, struggling upward and onward in their profession, and, as far as was fit and proper, they had my favorable consideration and kindness. I would do injustice to my feelings and convictions if I closed these few observations without making my acknowledgements to the Bar of the Second Circuit, of my great indebtedness to them for any judicial standing to which I may be entitled. Since my first advancement to the Bench, nearly half a century ago, I have had their uniform good-will and friendship, have been instructed by their learning and encouraged by the expression of their favorable opinions. They have ever been not only ready but forward to economize and lighten the labors of the Court when the amount of the business pressed the hardest, even at the expense of their own personal convenience. So uniform and habitual were these exhibitions of respect and friendship, that I felt, when in Court and engaged in the administration of the law, that I was surrounded, not in courtesy, but in reality, by professional brothers, and that every error would be charitably considered, and every act worthy of commendation would receive its full reward. This Address of the Bar of New York on the termination of my judicial labors, and in approbation of them, I look upon as the crowning reward, which will be a source of perpetual consolation in the decline of life, and so long as a kind Providence shall permit the speaker to linger here on earth in the enjoyment of faculties unimpaired.

II.

Rule of the Circuit Court of the United States for the District of Connecticut, adopted since the publication of the ninth volume of these Reports.

SEPTEMBER TERM, 1872.

Either party to any civil cause pending in the Circuit Court, desiring to have the same tried at any term thereof, shall give written notice of such desire to the clerk of said Court, by filing the same in his office, at least twelve days before the opening of said term, before which opening the clerk shall make a list of the causes concerning which he has received notice as aforesaid, in the order in which they stand upon the docket. Such notice shall not be revoked, and such list shall constitute the list of civil causes to be tried at said term. These causes shall stand assigned for trial in their order. If either party to any cause in said list shall not be prepared to try the same when reached in order, he may be defaulted or nonsuited, as the case may be, or said cause may be postponed or continued, for cause shown upon affidavit or stipulation, at the discretion of the Court. Causes not noticed as herein provided shall be continued as of course. All new causes shall be called at the first term for which they are returned, for purposes of appearance or default. Writs of error and appeals from the District Court are exempt from this Rule, and shall be placed at the head of the list. Causes to which the United States is a party, and which are required by law to be tried at the first term to which they are returnable, shall also be exempt from this Rule.

Rules of the Circuit Court of the United States for the Southern District of New York, adopted since the publication of the ninth volume of these Reports.

FEBRUARY 26TH, 1873.

In order to facilitate the dispatch of business at the criminal terms of the Circuit Court of the United States for the Southern District of New York, the following Calendar Rules are adopted for those terms:

1. Four days prior to the commencement of each criminal term, the clerk of the Court shall prepare a calendar of all the causes which shall have been designated by the District Attorney, in a written notice, as causes which the Government is ready to try at such term. The causes will be arranged upon the calendar in the order designated in the notice of the District Attorney, and no cause not so designated shall be placed upon the calendar; provided, that indictments found after the commencement of any criminal term may be placed upon the calendar of such term, upon special order of the Judge.

2. At the opening of each criminal term, all the causes upon the calendar for that term will be called, for the purpose of enabling counsel to fix upon days of the term on which the various causes are to be tried. In case of failure of counsel in any cause to agree upon a day of trial, the day will be fixed by the Court.

3. When a day has been assigned for the trial of any cause, such cause will not thereafter be postponed for the term on the application of a defendant, except upon showing facts to have arisen since the assignment of the cause, which entitle the defendant to postpone the trial for the term.

4. Every cause placed upon the calendar of any term upon the request of the District Attorney, which shall not be tried during such term for either of the following reasons, to wit, because of the failure of the District Attorney to apply to have a day in such term assigned for the trial, or because of the omission of the District Attorney to move the trial at the time when the cause is called for trial, shall be stricken off the calendar, as for want of prosecution, and, unless otherwise specially ordered, shall not thereafter be placed upon any calendar, except by permission of the Judge, obtained on notice to the defendant, or his attorney, and upon showing proper reasons for the failure to try the cause when upon the calendar.

5. All assigned causes which are not reached for trial during the term of their assignment shall, without further notice to the clerk, be placed at the head of the calendar of the next criminal term, in the order of their assignment, and shall stand as causes assigned in that order, to be tried upon the first day of the said next term.

6. Motions to quash the indictment in any cause upon the calendar of any term must be made upon the opening day of the term, unless otherwise ordered.

7. The clerk will, for the information of the Court, attach to each calendar a list of the names of all persons under indictment in the Court, who are in custody.

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A.

ABATEMENT.

1. A libel was filed, in the District Court, against a vessel. D. appeared, and filed a claim to the vessel, as owner, and, with E. and M., as sureties, gave a bond for the value of the vessel, and she was released. D. answered the libel, putting in a defence. Afterwards, and before the trial, D. died. No notice was taken of his death. The trial was had, counsel appearing for D. A final decree was rendered against the vessel, and a summary judgment against D., E. and M. An appeal to this Court was taken, on behalf of D., the sureties on the bond for a stay being E. and M. The District Court was not advised of the death of D., although his proctors knew of it. No letters of administration on the estate of D. were taken out, until after such final decree was entered. On the trial in this Court, counsel appeared for D., as appellant, and urged, as ground for a reversal of the decree, that, by the death of D., the suit abated, and the decree against him was erroneous; *Held*, that the suit did not abate by the death of D. *The James A. Wright*, 160
2. Whether the appeal was properly taken in the name of D., after his death, *quere.* *id.*
3. This Court, in decreeing, on the merits, for the appellee, ordered that the death of D. be suggested, and

that the judgment be against E. and M. *id.*

ACTION.

See CORPORATION, 4.

ADMIRALTY.

1. A vessel, which has once been arrested, in the Admiralty, and discharged on stipulation for her value, cannot be arrested again, in the Admiralty, for the same cause of action. *The Thales*, 203
2. A libellant, in a suit in Admiralty, had a decree against two vessels, for damages, which contained no provision for an apportionment of the damages between the two vessels, or otherwise settling the equities between their claimants. After decree, it being shown that the claimant of one vessel, and his sureties, stood in the relation of sureties for the claimant of the other vessel and his sureties, and that the latter had assumed the litigation and agreed to indemnify the former, the Court, on the application of the former, made an order that the libellant first issue execution against the latter, and that proceedings against the former be stayed until the return of such execution. *The Helen R. Cooper*, 212

See ABATEMENT.

COLLISION.

LIEN.

SALVAGE.

AMENDMENT.

See EQUITY, 5 to 7.

APPEAL.

See ABATEMENT.
BANKRUPTCY, 24 to 30:

B.

BAILMENT.

See COMMON CARRIER, 4 to 9.

BANKRUPTCY.

1. In general, a mortgagee, holding a mortgage on real estate of a bankrupt, should not be permitted to foreclose such mortgage in a State Court. *In re Sacchi*, 29
2. The Courts of the United States have ample power to protect all the rights of the mortgagee. *id.*
3. If necessary to secure the equitable rights of a mortgagee, the Court in bankruptcy, as a Court of equity, may have the rents separated from the general estate of the bankrupt, to be specially applied on the mortgage. *id.*
4. The mortgagee, if the validity of the mortgage is not denied, may invoke the summary power of the Court, to sell the mortgaged premises; or, if such validity be denied, he may himself proceed, by bill, in the District or Circuit Court of the United States. *id.*
5. Circumstances stated, in which proceedings on the mortgage, in the State Court, may be allowed. *id.*
6. What commissions will not be allowed to an outgoing assignee in bankruptcy. *id.*
7. H. held valid mortgages on land of E., amounting, principal and interest, to more than the value of such land. E. conveyed the land to H., by deed, the wife of E. joining in the deed,

the consideration of the conveyance being a sum proved to be the fair value of the land. At that time, H. was a creditor of E. in respect of other matters besides the mortgages, but did not know that E. owed any one but himself, and had no knowledge or suspicion that E. had not property sufficient to pay all that he owed. E., in fact, owed other debts, and was insolvent. H. learned this after receiving the deed, and then offered to the other creditors, to give up any priority and share equally with them. After that, and within four months after the giving of such deed, a petition in bankruptcy was filed against E., on which he was adjudged a bankrupt, and an assignee of his estate was appointed. H. then offered to the assignee to reconvey the land, subject to the mortgages. But the assignee brought suit, to compel H. to convey the land to him discharged of the mortgages; *Held*, that H. obtained no preference, by means of the deed; that it would have been no preference, even if H. had known that E. was insolvent; that the value of the land must be charged against the mortgage debt; and that H. must be permitted to prove against the estate the balance due on such debt at the date of the deed, with interest thereon. *Cox v. Hale*, 58

8. A creditor, who knows his debtor to be insolvent, may sue him, and proceed to judgment, and take his property, on legal process, in such manner as would operate to give a preference to himself, if carried into full execution, and may then allege these facts as an act of bankruptcy, and have the debtor adjudged a bankrupt. *id.*
9. A creditor, who is not aware, until after he levies an execution on the property of his debtor, that the debtor owes other debts, and who, when he learns that fact, offers to the other creditors to give up his priority and come in on an equal footing with them, and who, after the debtor has been adjudged bankrupt, on the petition of another creditor, because of the levying of such execution, offers to the assignee in bankruptcy to relinquish all priority, and

- tenders a proof of debt, with a view to share *pro rata* only in the estate, does not forfeit his right to share in the estate. *id.*
10. Bill dismissed, with costs to be paid out of the estate in the hands of the assignee, on the ground that the circumstances were not so clear as to require any imputation on the good faith of the assignee, in prosecuting the suit. *id.*
11. The mere giving of security, on a loan of money, is not an illegal preference, under the bankruptcy Act. *Clark v. Iselin*, 204
12. A creditor, holding a warrant to confess judgment, who enters judgment on it, and levies, under such judgment, an execution on the property of his debtor, at a time when the debtor knows, and the creditor has cause to believe, that the debtor is insolvent, obtains an illegal preference, under said Act, even though the debtor was not insolvent when the warrant was given. *id.*
13. If a creditor releases the goods of a debtor from the lien of an execution in favor of such creditor, and takes a transfer of other assets from the debtor, in payment of the debt, when the debtor is insolvent, and the creditor has cause to believe so, the preference is an illegal one, under said Act. *id.*
14. The inability of a merchant to meet his engagements, in the usual course of business, constitutes insolvency, within the meaning of the bankruptcy Act. *Mayer v. Hermann*, 256
15. The fact, that a merchant, in a mercantile community, who has no defence to debts maturing in his current business, submits to be sued, to compel payment of such debts, is very high evidence of inability to pay them. *id.*
16. The sale of the debtor's property, on an execution issued in such a suit, is a disposition of the debtor's property, for the benefit of the creditor, out of the usual course of business, and is evidence that the creditor has reasonable cause to believe in the debtor's insolvency, and contemplates a preference. *id.*
17. Although a debtor is not known to have yet committed an act of bankruptcy, his creditor, although he has reasonable cause to believe, or even knows, the debtor to be insolvent, may sue him, and proceed to judgment, execution and levy, for the purpose of proceeding against him in involuntary bankruptcy. *id.*
18. A creditor employed an attorney to collect his debt by suit. All the facts made necessary by the bankruptcy Act to invalidate a preference gained by such suit, were made known to such attorney after he entered on such employment, and while engaged in collecting such debt by suit. The suit proceeded to execution and levy: *Held*, that the knowledge of the attorney was the knowledge of the creditor. *id.*
19. *Held*, also, that it made no difference, that the information was received by the attorney after he had been retained by the debtor, and while he was advising the debtor what course to pursue, such retainer by the debtor being after the employment by the creditor and before the recovery of judgment. *id.*
20. Where several creditors enter into a composition arrangement with their debtor, by deed, it is a constructive fraud on the other creditors signing the deed, for one creditor who signs to enter into a secret arrangement with the debtor, for an advantage over the other creditors in respect to his debt. *Bean v. Ameinck*, 361
21. Securing 50 *per cent.*, in cash, at once, instead of 70 *per cent.* on time, is such an advantage, when obtained secretly, where the taking of the cash payment so embarrasses the debtor as to make it impossible for him to meet his payments to the other creditors, as they mature. *id.*
22. Where such a fraud has been committed, and the debtor afterwards is adjudged a bankrupt, his assignee in bankruptcy may recover from the

- creditor receiving such cash payment, the amount so paid. *id.*
23. In this case, it was held, that the fact, that the composition deed was, by its terms, not to be binding on any creditor unless all the creditors signed it, and all did not sign it, and the further fact, that the agent who signed it for the favored creditor was authorized to sign it only after all the other creditors had signed it, did not, on the facts of this case, exempt such favored creditor from his liability to repay the money to the assignee in bankruptcy. *id.*
24. The review, by the Circuit Court, of an order made by the District Court, in the exercise of its summary jurisdiction in bankruptcy, under the 1st section of the bankruptcy Act of March 2d, 1867, (14 *U. S. Stat. at Large*, 517,) cannot be had by means of an appeal, taken under the 8th section of said Act. *In re Casey*, 376
25. The practice in general use, in the Second Circuit, for the review of such an order, is by a petition to the Circuit Court, setting forth so much of the proceeding in the District Court as is necessary to show the order complained of, and the facts on which it was based, or the evidence, where the facts are in dispute, pointing out specifically the supposed error or errors, and asking a review and reversal, or modification, of the order complained of. *id.*
26. A mere notice of appeal is not "proper process," for invoking a review of such an order. *id.*
27. *Semble*, that the review of such an order may be applied for at any time before the supposed erroneous order is carried into execution. *id.*
28. A summary proceeding, by order to show cause, based upon a petition in the District Court, in bankruptcy, asking that the assignee in bankruptcy be directed to pay the mortgage debt out of the estate, and that, in default of payment, the assignee and a subsequent mortgagee be foreclosed of all equity of redemption in the mortgaged premises, cannot, for the purposes of an appeal from an order made thereon, directing that a decree of foreclosure be made in favor of the petitioner upon one mortgage, and in favor of such subsequent mortgagees on another, and ordering a reference, to ascertain the amount due on those mortgages, and dismissing the petition as to a third mortgage, but not settling the terms, or conditions, or times, when the foreclosure shall become operative, be regarded as a suit, so as to sustain an appeal taken from such order, under the 8th section of said Act. *id.*
29. Such an order, if regarded as made in a suit, is not a final decree therein. *id.*
30. The appeal provided for by the said 8th section can be taken only from a final decree. *id.*
31. Jurisdiction to foreclose a mortgage on the estate of a bankrupt, at the instance of the mortgagee or holder, is not included in the powers to be exercised summarily under the 1st section of said Act. *id.*
32. Knowledge of the non-payment of the commercial paper of a merchant at maturity, furnishes reasonable cause to believe that he is insolvent. *Warren v. Tenth National Bank*, 493
33. Inability to pay commercial paper, in the due course of business, is, in the case of a merchant, insolvency. *id.*
34. A creditor holding the commercial paper of his debtor, in respect to which the debtor has committed an act of bankruptcy, by suffering it to remain unpaid in the hands of such creditor, for more than two months after its maturity, must be held to know that the debtor is insolvent and has committed an act of bankruptcy, if such creditor, instead of putting the debtor into bankruptcy for such act, proceeds to take measures to secure a preference over other creditors. *id.*
35. What constitutes insolvency in a

- debtor, and knowledge by him of his insolvency, considered. *id.*
36. If a debtor suffers a creditor to do acts which will secure a preference, and knows the consequences of such acts, he intends such consequences, because he can prevent them, by using the means provided to effect an equal distribution of his property among his creditors. *id.*
37. What constitutes, on the part of a creditor, reasonable cause to believe that he is obtaining a preference. *id.*
38. Where a debtor has committed no act of bankruptcy, and will not voluntarily petition, a creditor may sue him, so as to force him to commit an act of bankruptcy, and then himself proceed against him, for such act, in involuntary bankruptcy. *id.*
39. Motive and intent distinguished. To do an act, with knowledge of its consequences, is to intend the consequences. *id.*
40. Where a preference is obtained through a judgment, and a levy of execution, an assignee in bankruptcy may proceed, by a suit in equity, to set aside the lien, and may make the sheriff, as well as the creditor, a party, if the proceeds of the execution be still in the hands of the sheriff. *id.*
41. On awarding such proceeds to the assignee in bankruptcy, the sheriff was allowed his legal fees, and his costs of suit, and such costs were, with the costs of the assignee, charged on the creditor. *id.*
42. N. sold to L., and delivered into his possession, certain chattels, taking therefor the note of L., payable one day after date, without grace, and a mortgage on the chattels to secure the note, and renewals of it, endorsed on it. Four notes, as one renewal of it, made three days after its date, were endorsed on it, the latest of which became due in six months. The mortgage was not renewed, within twelve months, under the law of New York, by filing it in the town where L. resided. Afterwards, L. was adjudged a bankrupt. The chattels were never taken back into the possession of N., and passed into the hands of the assignee. N. claimed their proceeds, the notes not having been paid: *Held:*
 - (1.) That N. had no lien as vendor, apart from the mortgage lien, because he had parted with the possession of the chattels, and the sale was not on an agreement that the title should not pass, or that the delivery of possession should be other than absolute;
 - (2.) That the mortgage, because not so filed, was void as against creditors, and as against the assignee in bankruptcy, representing them;
 - (3.) That, so long as N. did not take possession of the chattels, the statute as to filing the mortgage operated, although the first note was not paid at maturity, and the other notes were not given until two days afterwards. *In re Leland,* 503
43. Although the title of the mortgages of the chattels becomes absolute as between him and the mortgagor, by forfeiture, on default of payment of the mortgage debt, it is, nevertheless, necessary to file the mortgage, if the possession of the mortgagor is suffered to continue. *id.*
44. The assignee in bankruptcy represents all the creditors; and, whatever right they might assert as creditors, if they had obtained judgments, he may, for their benefit, assert, whether it be to set aside conveyances by the bankrupt which are fraudulent and void as against creditors, or which are otherwise, as against them, invalid. *id.*
45. The question as to what is proper notice to a person holding a lien on land of a bankrupt, of an application, by the assignee of the bankrupt, for leave to sell the land free from the lien, and transfer the lien to the proceeds of sale, considered. *In re Kirtland,* 516
46. The District Court has power, under § 20 of the bankruptcy Act, to order such a sale. *id.*
47. Such an order may be made by such Court, in the exercise of its

summary jurisdiction, under the Act, provided the order does not assume to provide, without the consent of the lien holder, for a determination, in a summary way, and without a regular suit, as to the validity of the lien. *id.*

48. Such an order should not authorize a sale of the land at private sale, for a sum less than the amount claimed to be due to the claimant of the lien, nor a sale upon credit, without the knowledge or consent of the lien holder, unless the price and terms of sale be first submitted to the Court, on notice to the lien holder, for approval and confirmation, but it may authorize public sales, not on credit, on notice to the lien holder. *id.*

BOND.

See CORPORATION, 5.

C.

CARRIER.

See COMMON CARRIER.

CASES COMMENTED ON.

1. *United States v. Reed*, (2 Blatchf. C. R., 435.) *United States v. Tallman*, 21

CIRCUIT COURT.

See BANKRUPTCY, 24 to 30.

COLLISION.

1. A collision occurred in the East river, between a steamboat bound from the Wallabout to the North river, and a ferry-boat crossing from New York to Brooklyn, on the Fulton ferry route: *Held*, on the facts, that the ferry-boat was solely in fault. *The America*, 155
2. Although, at the time, the steamboat was in the sole charge of her pilot and the assistant engineer, and her master and engineer, and the rest of the hands, were in the cabin, at supper, and such inattention was inex-

cusable, yet it did not contribute to the collision. *id.*

3. The two vessels approached each other so nearly end on, as to require each to keep to the right. The steamboat did so, and the ferry-boat did not. *id.*

4. A vigilant look out on ferry-boats crossing the East river is required. *id.*

5. Where a libel, *in rem*, for a collision, alleged, that the collision occurred because the vessel sued shifted her helm from starboard to port, and it was not clear, on the evidence, that that was the fact, but the libel also alleged that the vessel sued could easily have avoided the collision, but was so negligently and carelessly navigated, that she ran into the other vessel, which was lying disabled, and the evidence sustained such allegation: *Held*, that the failure to prove the alleged mode in which the collision occurred was no ground for refusing a decree to the libellants. *The Martin Wyncoop*, 167

6. Observations as to the navigation of ferry-boats on the ferries between New York and Brooklyn, and of other vessels with reference to such ferry-boats, and as to their reciprocal rights and duties. *The Exchange*, 168

7. A vessel anchored, in the afternoon, in the track of one of such ferries. She was requested, by the ferry boats, to remove, but did not. In the night, a fog arose. The vessel used no audible means to give notice where she was, and a ferry-boat, using all caution, and giving proper audible signals, collided with the vessel, and damaged her. On a libel by her owner, against the ferry-boat: *Held*, (1.) That the vessel should not have anchored where she did; (2.) That she should, on request, have changed her anchorage; (3.) That she was in fault, in giving no audible signals; (4.) That the ferry-boat was not in fault. *id.*

8. In a collision between two steam vessels, the S. and the B., the 14th Rule, (*Act of April 29th, 1864*, 13 U. S.

- Stat. at Large*, 60,) that, "if two ships under steam are crossing, so as to involve risk of collision, the ship which has the other on her own starboard side shall keep out of the way of the other," was applied to the S., and the 18th Rule, (*Id.* 61,) that, where "one of two ships is to keep out of the way, the other shall keep her course," was applied to the B. *The Santiago de Cuba*, 444
9. The B. having changed her course, it was held that such change was made in the jaws of peril, and was justified by the circumstances, and tended, in some slight degree, to increase the chances of escape. *id.*
 10. The presumption of fault, under the 14th Rule, was held to be against the S., throwing the burthen on her of excusing herself for the collision. *id.*
 11. It was held, that the S. was in fault, in not making seasonable and correct observation of the situation of the B., in not properly observing her approach, in changing to a course which promoted danger, when proper attention would have so informed her, and in not slowing, stopping and backing when the danger became obvious. *id.*
 12. It was held, that the B., also, was in fault, in not having her green light so screened that it could not be seen across her port bow, it having been so seen by the S. as to mislead the S.; and in not slowing, stopping and backing. *id.*
 13. In a Court of Admiralty, a disregard of the rules of navigation, by one vessel, cannot be justified, on the mere ground, that, if the other vessel, also, had not violated her duty, no harm would have resulted. *id.*
 14. The rule in regard to setting and screening colored lights must be strictly observed. *id.*
 15. The B. and her cargo having been lost by the collision, and the S. damaged, and the owner of the S. having sued the owner of the B., and the owner of the B. having sued the S., and the owner of the cargo on the B. having sued, in one suit, both the S. and the owner of the B., the decree was, that both the B. and the S. must contribute to the whole loss; that, if, on ascertaining the whole loss, the contribution due from the S., to the fund, over and above her own loss, should be sufficient to indemnify the owner of the cargo on the B., it should be applied to that purpose; and that, if not, the parties would be heard, on the question as to by whom, if by any one, the deficiency should be made good. *id.*
 16. A collision occurred between the steamboat A. and a boat in tow of the steam-tug K., in the night, in the Kills. A libel was filed, in the District Court, against the A. alone, to recover for the damages. That Court held both vessels in fault, and awarded to the libellants, against the A., only one-half of such damages. Both parties appealed: *Held*, that the decree was right. *The Atlas*, 459
 17. The K. was held in fault for not porting, when meeting the A. nearly end on, and for starboarding, and crossing the course of the A., and for not slowing and stopping. *id.*
 18. The A. was held in fault for not having a lookout, in view of her speed, such want of a lookout having contributed to the collision. *id.*
 19. It ought to be clear that the want of a lookout has wrought no mischief, before it can be excused. *id.*
 20. The A. and the K. being both in fault, if both had been sued, each would have been held liable for one-half of the damages; and the libellant cannot, by suing the A. alone, deprive the A. of any rights she has in that respect. *id.*
 21. Both parties having appealed, no costs of appeal were allowed. *id.*
 22. A steamtug was towing two schooners lashed alongside of her, through Hell Gate. One of them, laden with coal, on freight, struck the rocks, and sank. The tug, being sued for such loss, set up, in defence, the arising of a violent wind, and the failure

- of the schooner that sank to anchor, when directed to, and the breaking of the rudder chain of the tug, and that the accident was inevitable. The libel specified no particular negligence in the tug, but alleged her negligence, generally, as causing the loss: *Held*, that the breaking of the rudder chain was the immediate cause of the disaster, that no excuse was shown, in respect of the violence of the wind, and that the tug was liable, the rudder chain having broken from an imperfection which might have been, and ought to have been, known. *The M. M. Caleb*, 467
23. The libellant sold the wreck. She was repaired by the purchaser. The actual time spent, in removing and repairing her, was thirty-one days. The Commissioner, in the District Court, reported, as damages, the cost of removing and repairing her, and the gross freight on the coal, for her whole voyage, and interest on those items, and an allowance for the value of the use of the vessel, during the 31 days, which he denominated "demurrage." Exceptions, by the claimant, to the allowance of the whole freight, and of the "demurrage," were overruled by the District Court. The allowance of the entire freight, not deducting anything for the time and expense incident to the completion of the voyage, was made by the Commissioner, as a set-off for the time which he supposed the libellant would have consumed in arranging to raise and repair the vessel, if he had not sold her: *Held*, that it was correct, not to allow as for a total loss, and not to allow the value of the vessel, less the proceeds of sale, and that, therefore, it was proper to allow for the loss of the use of vessel, while she was being removed and repaired. *id.*
24. *Held*, also, that, if not appearing what became of the coal, except that it was saved, the allowance of the full freight, on the principle of such set-off, was erroneous, because conjectural; and that the claimant, if he desired, should be allowed to elect, whether to inquire into the disposition of the coal, and into the actual loss of freight money, (the libellant being permitted to open the question of "demurrage," with a view to increase its amount,) or to waive such inquiry and the exception as to the allowance for freight money, in which latter case the decree below would be affirmed, with interest, without costs of appeal. *id.*
25. Two steamboats, the P. and the N., bound from New York, to go through Hell Gate, proceeded up the East River, the P. astern. On entering Hell Gate, the stem of the P., which was the faster boat, and the longer boat, had reached to a few feet in advance of the stem of the N.; the stern of the P. was not up to the stern of the N. The two vessels collided, and the P. was injured; *Held*, under Article 17 of the Rules in the Act of April 29th, 1864, (13 U. S. Stat. at Large, 61,) that the P., as the overtaking vessel, was bound to keep out of the way of the N., and that the P. was in fault, and the N. was not in fault. *The Narragansett*, 475
26. A barque, lying at a pier, fastened by chains which had held her there securely for three months, drew out a pile to which one of the chains was fastened, during a late period in a storm which had lasted two or three days, so that she swung around and against a tug lying near and injured the tug; *Held*, that the case was not one of inevitable accident, in a legal sense. *The Johannes*, 478
27. If a steamboat continues her course at very nearly her highest speed, in a fog so dense that an approaching vessel, with all proper lights, cannot be seen at a distance of 300 feet, and a collision ensues, the steamboat must be held to have been in fault. *The Bristol*, 537
28. A vessel was sunk by a collision, in Long Island Sound, and abandoned, but was afterwards discovered, and raised, and libelled for salvage, and sold, and repaired by the purchaser. There was nothing to show that it was evident that the cost of raising and repairing her would, with the loss of her use, amount to more than she would be

worth after being repaired. It did, in fact, cost more to raise and repair her than she was worth after she was repaired; *Held*, that it was proper to allow, as damages for her loss, her full value at the time she was sunk.

id.

29. The finding of the Commissioner, as to the amount of such value, allowed to stand. *id.*

COMMON CARRIER.

1. In an action against a common carrier, to recover for the loss of laces contained in a trunk, the baggage of the plaintiff, as a passenger, it appeared that none of the laces had been purchased by the plaintiff, and that they were purchased by no one, at least within living memory, but were inherited or received by gift, and were many years old: *Held*, nevertheless, that their value must be ascertained by a money standard, based on evidence, and could not be assessed upon conjecture, and that, in the absence of such evidence, nominal damages only could be given. *Fraloff v. N. Y. Central R. R. Co.*, 16.

2. The action was properly brought in the name of the plaintiff, she being a married woman. *id.*

3. The laces were reasonable apparel and baggage, reference being had to the social position and wealth of the plaintiff, the state of her health, and the object of her journey to this country from abroad. *id.*

4. An obligation of the United States, commonly called a seven-thirty note, issued under the Act of March 3d, 1865, (13 *U. S. Stat. at Large*, 468,) payable to the order of , and not having the name of any person filled into such blank space, is in the same condition as if payable to bearer, and is, therefore, negotiable by delivery. *United States v. Vermilye*, 280

5. The writing of anything on the back of such note, while such blank is not filled up with the name of a payee, does not amount to an endorsement

on, or of, such note, in the sense of that word, in the law merchant, so as to restrict the negotiability of the note, or to make it non-negotiable by delivery merely. *id.*

6. A person who purchases such a note after its maturity, and after the time for its conversion into bonds has passed, takes nothing but the actual right and title of its vendor. *id.*

7. Such a note is not money, but is only evidence of the indebtedness of the United States for money borrowed. *id.*

8. A carrier of such a note, for hire, has such a special property in it, that, if it be stolen from him, and be found in the possession of a person who took it after maturity, and who shows no better title to it than the title of the thief, the carrier may recover it from such person, by action. *id.*

9. The carrier, on paying the value of the note to his bailor, becomes the equitable assignee of the title of the bailor to the note. *id.*

COMPOSITION DEED.

See BANKRUPTCY, 20 to 23.

CORPORATION.

1. B., as trustee under a will, held five shares in the stock of a Massachusetts corporation, represented by a certificate issued to him, as "B., trustee," in 1857. In 1863, a Court of Massachusetts, in a suit against B., in which he appeared, removed him from his trusteeship, and appointed another trustee in his place, and ordered the certificates of stock of the trust estate to be delivered and assigned by B. to the new trustee, and, in default thereof, the assignment of the shares to be made by a master. The master assigned the five shares to the new trustee, who exhibited the assignment to the corporation, and demanded a transfer of the shares on its books and a certificate therefor to him. The corporation had notice of

the suit, and of the proceedings and decree in it, and paid dividends on the shares to the new trustee. Afterwards, and in 1866, H. obtained from S. a loan of money on a delivery and pledge of the certificate issued to B. It had annexed to it a form of assignment, with no name of an assignee, and a power of attorney to transfer the shares, dated in 1858, and signed, "B., trustee," and witnessed, but with no name of an attorney in it. S. made the loan without notice of the proceedings in Massachusetts, or of any breach of trust by B. Afterwards, S., with the assent of H., inserted his own name, as assignee and attorney, in the power, and presented it to the corporation, and asked for a transfer of the shares to himself, and a certificate therefor. It was refused. S. then sued the corporation to recover the value of the shares: *Held*, that the suit could not be maintained. *Sprague v. Cocheco Mfg. Co.*, 178

2. A certificate for shares of stock in a railroad corporation declared that such stock should be entitled to preferred dividends, out of the net earnings, not to exceed a specified rate, after payment of mortgage interest in full. After the certificate was issued, the corporation borrowed money and issued bonds therefor bearing interest, and also took leases, on rent, of connecting railroads: *Held*, that the holder of the certificate was not entitled to be paid a dividend, before payment of the interest on such bonds, or of such rent. *St. John v. Erie Railway Co.*, 271

3. The meaning of the words, "net earnings," defined. *id.*

4. The first section of the Act of May 4th, 1858, (11 *U. S. Stat. at Large*, 272,) which provides, that a suit not of a local nature, brought in a District in a State containing more than one District, against a single defendant, shall be brought in the District in which the defendant resides, does not apply to a case where the single defendant is a corporation created by such State. *Locomotive Engine Safety Truck Co. v. Erie Railway Co.*, 292

5. The mortgage bond of a railroad corporation, bearing a number, and payable to bearer, with coupons attached, payable to bearer, contained, on its face, a statement, that the corporation agreed "to make the scrip preferred stock attached to this bond full paid stock," at specified times, upon surrender to the corporation, of the bond and the unmatured coupons, and that it was issued in conformity with the articles of association of the corporation. H., the owner and possessor of such bond, was also the possessor of a certificate for ten shares of the scrip preferred stock of the corporation, certifying that he was entitled to such shares, and declaring, that, on the surrender of such certificate, and of such mortgage bond, designated by its number, and of all unmatured coupons thereon, at specified times, he would be entitled to ten shares of full paid preferred stock. The bond and the certificate of stock, attached together by a pin, were stolen from H. The bond, unaccompanied by the certificate, went into the hands of T., who, in good faith, and without any other notice than was imported by the bond, advanced money on the bond: *Held*,

(1.) That T. had notice of whatever was contained in the articles of association, in respect to the bond.

(2.) That neither the articles, nor the bond, nor the certificate, required the bond to be registered, or to be transferable solely on the books of the corporation, or that the debt evidenced by the bond and the coupons should be transferable otherwise than by delivery.

(3.) That H. could part with the bond by delivery, without transferring the scrip stock.

(4.) That the promise, in the bond, to pay money, was a separate obligation from the agreement in regard to converting the scrip stock into full paid stock.

(5.) That T. was entitled, as against H., to retain the bond, as having taken, before maturity, for a valuable consideration, in the usual course of business, without notice of any defect of title, a coupon bond, payable to bearer. *Hotchkiss v. Tradesmen's National Bank*, 384

See FRAUD.
INJUNCTION.

COSTS.

1. In the taking of the account of profits in this case, a patent suit, in equity, before the master, the plaintiff greatly exaggerated his claim, and caused a great waste of time, and introduced a large amount of irrelevant evidence, and recovered, in the end, a comparatively small sum: *Held*, that neither party should recover, against the other, any costs or expenses that accrued before the master, embracing the fees of witnesses, the taking and printing of the evidence, and all disbursements before him, but each party should bear his own; and that the compensation of the master, as fixed by the Court, should be paid equally by the parties. *Troy Iron and Nail Factory v. Corning*, 223

See BANKRUPTCY, 41.
COLLISION, 21, 24.
PRACTICE, 2.

D.

DAMAGES.

See COLLISION, 20, 23, 24.
COMMON CARRIER, 1.
PATENT, 10.
TOWAGE, 6.

DISTRICT COURT.

See BANKRUPTCY, 28 to 31.
WRIT OF ERROR.

DUTIES.

1. "Terne tin," in strips formed by turning over the edges of short plates of the article, and locking them together, and rolling down the edges thus joined, and coating them, in the process, with the same metal as all

other terne plates, is liable to a duty of 25 per cent. *ad valorem*, under the last paragraph of § 8 of the Act of July 14th, 1862, (12 *U. S. Stat. at Large*, 552.) and not to a duty of 35 per cent. *ad valorem*, as a manufacture or article "not otherwise provided for, of * * * tin or other metal," under § 18 of said Act, (*Id.*, 557.) *Bruce v. Murphy*, 229

2. B. imported 444 bottles of wine, containing 83½ commercial gallons, and of the dutiable value of \$96. The 21st section of the Act of July 14th, 1870, (16 *U. S. Stat. at Large*, 262,) provides, that wines imported in casks, valued at not exceeding 40 cents per gallon, shall pay 25 cents duty per gallon, valued at over 40 cents, and not over \$1, shall pay 60 cents, and valued at over \$1 shall pay \$1, and, in addition thereto, 25 per cent. *ad valorem*; and that wines imported in bottles, shall pay "the same rate per gallon as wines imported in casks, but all bottles containing one quart, or less than one quart, and more than one pint, shall be held to contain one quart, and all bottles containing one pint, or less, shall be held to contain one pint, and shall pay, in addition, three cents for each bottle." The collector exacted a duty on 111 gallons, at \$1 per gallon, and a duty of 25 per cent. *ad valorem* on \$96, and a duty of three cents on each bottle. In a suit by B. to recover back an excess of duty, *Held*, that the wine, being imported in bottles, was not liable to the 25 per cent. *ad valorem* duty, but only to the duty per gallon; that, as each bottle contained more than one pint, and not more than one quart, each bottle must be held to contain one quart, and the 444 bottles must be held to contain 111 gallons, for the purpose of arriving at its value per gallon, to ascertain the proper rate of duty per gallon, as well as for the purpose of fixing the number of dutiable gallons; that the value, therefore, was over 40 cents, and not over \$1, per gallon, and the proper rate of duty per gallon was 60 cents, on 111 gallons; and that the bottles were each subject to 3 cents duty. *Bensusan v. Murphy*, 530

E.

EQUITY.

1. A patent was granted to W., in 1867, (applied for in 1865,) with a claim identical with that contained in a patent granted, in 1864, to M. In a suit in equity, brought by W., against M., for infringing such claim, the answer of M. insisted on the validity of such claim in the patent to M.: *Held*, that M. could not, on the hearing, take the ground that the claim of the patent to W. did not claim patentable subject matter. *Russell & Erwin Mfg. Co. v. Mallory*, 140
2. A special allowance made to a master, for his services in executing a decree. *Erie Railway Co. v. Heath*, 214
3. A plaintiff, in a suit in equity, can recover only upon the case made by his bill, and not upon that made in the evidence. *Battle v. Mutual Life Ins. Co.*, 417
4. An admission in the answer will be of no use to the plaintiff, unless it is put in issue by some charge in the bill. *id.*
5. On final hearing, the Court announced, that, on the pleadings and proofs, as they stood, it was impossible to grant to the plaintiff the relief prayed for. The plaintiff then moved for leave to amend the bill. It appearing, that, by making the amendments proposed, the bill and the answer would agree in their statements, in the particulars covered by such amendments; that the evidence and the answer made out a case for relief to the plaintiff, but a case different from the one stated in the bill; that the purposes of substantial justice required that the amendments should be made; that the amendments did not change the subject matter of the bill; and that no decree had been passed: *Held*, that the motion ought to be granted, on payment of costs. *id.*
6. *Held*, also, that, although some testimony on the part of the plaintiff might be in conflict with the amend-

ments, yet, as the amendments harmonized with the allegations of the answer, and such testimony was not testimony sustaining the allegations of the answer, the point was immaterial. *id.*

7. The case of *Neale v. Neales*, (9 Wallace, 1,) commented on, and held to warrant the allowance of such amendments. *id.*

See BANKRUPTCY, 40.

COSTS.

EVIDENCE.

FRAUD.

INJUNCTION.

PATENT, 79 to 81, 98.

PRACTICE, 2.

EVIDENCE.

1. The testimony of a witness to prove prior knowledge of the plaintiff's invention, stricken out, at the hearing, on motion, on the ground that his place of residence at the time of putting in the answer was not given in the answer. *Decker v. Grote*, 331

See COLLISION, 5.

PATENT, 17, 98.

TOWAGE, 5.

TRADE MARK, 1.

F.

FERRY BOAT.

See COLLISION, 1 to 4, 6, 7.

FOREIGN JUDGMENT.

1. G., a French citizen, married, in France, the daughter of P., and of his wife, C., citizens of the United States. Such wife of G. died, leaving a child of such marriage. Under the statute law of France, providing, that a father-in-law and a mother-in-law must make an allowance to a son-in-law who is in need, so long as a child of the marriage is living, G. afterwards obtained, in a Court of France, a judgment or decree against P. and C., then residing in France, in an action in which they were served with process and appeared, requiring P. and C. to pay him a cer-

tain sum per year, in monthly payments, in advance, one-third of it to be for his use, and two-thirds of it for the use of the child. G. brought an action of debt, on the judgment or decree, in this Court, against P. and C., to recover the amount of the decreed payment for two years and seven months: *Held*, that the suit could not be maintained. *De Brimont v. Penniman*, 436

2. The laws of France upon which such decree was made, and such decree founded thereon, are local in their nature and operation. They are designed to regulate the domestic relations of those who reside there, and to protect the public against pauperism. They have no extra-territorial significance, but must be executed upon persons and property within their jurisdiction. *id.*
3. Such orders of the French tribunals are in this respect like orders of filiation, and orders made, under local statutes, to guard against pauperism, and in the nature of local police regulations, and are not founded upon principles which, irrespective of local statutes, are of universal acceptance, like judgments for a certain sum, founded upon contracts or other recognized private rights. *id.*

FRAUD.

1. B., the president of a bank, borrowed money of M., for his own use, on the security of 550 shares in the capital stock of the bank. At the time, B. stood on the books of the bank as the owner of more than 550 of its shares, certificates for which, issued to him, were outstanding, but had been passed away by him to *bona fide* holders. In anticipation of, but without, their surrender, B. caused to be issued to himself certificates for 550 shares, and gave them, with power of attorney to transfer, to M., as security for the loan. They were signed by B., as president, and by R., as cashier, they being the transfer officers. R. knew, as well as B., of the irregularity in their issue. At the time, B. held certificates for 585 shares of

the stock of the bank, and the bank had certificates, unissued, for other shares, which had been subscribed for, but were not yet paid for. The certificates given to M. were intended to represent only the shares represented by the certificates the surrender of which was anticipated. M. made the loan in a check, on the faith of the certificates. B. passed the check to the bank, without consideration, and the bank collected it, and placed the money among its assets, B. and R. knowing all the facts. The outstanding certificates were not surrendered or cancelled, nor was any stock transferred on the books. The bank failed and a receiver of it was appointed. M. demanded back his money, and tendered the certificates for surrender, which was refused. The receiver being about to exclude M. from sharing, as a creditor, in the distribution of the assets of the bank, M. brought suit to restrain the receiver from doing so: *Held*, that a fraud was committed by B. on M.; that M. was entitled, on discovering the fraud, to rescind the contract; that the bank received the money to the use of M. and was liable for it to M.; and that M., on surrendering the certificates, was entitled to share, as a creditor of the bank, in the distribution of its assets. *Manhattan Life Ins. Co. v. Farmers' & Citizens' Nat'l Bank*, 844

See BANKRUPTCY, 20 to 28.
SALE.

G.

GRAND JURY.

See JURORS.

I.

INCOME.

See INTERNAL REVENUE, 7, 8.

INDICTMENT.

See JURORS.
SHIPPING.

INFORMER.

See WRIT OF ERROR.

INJUNCTION.

1. A corporation, defendant in a suit in equity, and which might be held liable to respond pecuniarily to the plaintiff, in the suit, and which had made one attempt to procure its own dissolution, was enjoined from taking any proceedings for its own dissolution, or for the appointment of a receiver of its effects, or for the distribution thereof among its stockholders, or any other persons, and from making any distribution or transfer of any of its effects. *Fisk v. Union Pacific R. R. Co.*, 618
2. The provision of § 5 of the Act of March 2d, 1793, (1 *U. S. Stat. at Large*, 334, 335,) that a writ of injunction shall not be granted to stay proceedings in any Court of a State, has application only to proceedings commenced in a Court of a State before the proceedings are commenced in the Federal Court. *id.*
3. Under the power given to the Federal Courts, by § 14 of the Act of September 24th, 1789, (1 *U. S. Stat. at Large*, 81, 82,) to issue all writs which may be necessary for the exercise of their respective jurisdictions, it may properly be considered as necessary for the continued exercise of the jurisdiction of a Federal Court over a corporation, that the corporation should be restrained from taking steps, in a State Court, to put itself out of existence. *id.*

See PATENT, 30 to 32, 49, 50.

INTERNAL REVENUE.

1. Bankers, confining themselves to the business of banking only, (as such business is described in subdivision 1 of § 79 of the Internal Revenue Act of June 30th, 1864,) (13 *U. S. Stat. at Large*, 251,) and which is not included in the business of a broker, described in subdivision 9 of said § 79, (p. 252,) as amended by the Act of March 3d,

1865, (*Id.*, 472,) are only liable to pay the banker's license fee and percentages mentioned in subdivision one. *Northrup v. Shook*, 243

2. Such bankers, without any further or additional license or license fee, may transact the business of a broker described in subdivision 9, while the mere broker must pay \$50 for his license. *id.*
3. But, if a banker does business as a broker, he subjects his sales to the duties imposed by § 99 of the Act of June 30th, 1864, (13 *U. S. Stat. at Large*, 273.) *id.*
4. A person who buys stocks in his own name, for his customers, for a commission, and advances the purchase money on the security of a percentage of such price, deemed sufficient, and deposited with him as security against loss, and sells the stocks for another commission, and settles the account according to the resulting balance to the credit of the customer, having no interest except his commissions and interest, or interest and commissions on his advances, the whole being at the risk, and for the account, of the customer, as to profit or loss, does business as a broker, within the meaning of the Acts in question, and subjects his sales to the duties imposed by § 99 aforesaid. *id.*
5. Such duties thereupon become chargeable on all his sales, whether of his own property, or of the property of others coming to his possession, and held, for advances made by him as a banker, or purchased and sold on speculation for the account of others, on commission. *id.*
6. Whether, when a tax is paid to a collector of Internal Revenue, without objection, or notice, in any form, that the party paying deems it erroneous, and the collector pays over the money to the Government, the collector is thereafter liable in an action to recover it back, and whether such an action, if maintainable, can be brought until after such an appeal to the Commissioner of Internal Revenue as is required by § 19 of the

Act of July 18th, 1866, (14 *U. S. Stat. at Large*, 152,) *quere*. *id.*

7. The United States cannot impose a tax on the salary of a Judge of the Superior Court of the city of New York, by imposing a tax on such salary as the income of such Judge. *Freedman v. Sigel*, 327

8. It makes no difference that the salary of the Judge is fixed by the Board of Supervisors of the county of New York, or that it is payable out of the treasury of the city of New York. *id.*

9. The provision of the 96th section of the Internal Revenue Act of July 20th, 1868, (15 *U. S. Stat. at Large*, 164,) "that, if any distiller, rectifier, wholesale liquor dealer, compounder of liquors, or manufacturer of tobacco or cigars, shall knowingly and willfully omit, neglect or refuse to do, or cause to be done, any of the things required by law in the carrying on or conducting of his business, or shall do anything by this Act prohibited, if there be no specific penalty or punishment imposed by any other section of this Act, for the neglecting, omitting, or refusing to do, or for the doing or causing to be done, the thing required or prohibited, he shall pay a penalty of \$1,000, and, if the person so offending be a distiller, rectifier, wholesale liquor dealer, or compounder of liquors, all distilled spirits or liquors owned by him, or in which he has any interest as owner, * * * shall be forfeited to the United States," does not authorize such forfeiture of spirits or liquors to be imposed for a violation of the 45th section of the same Act, for the reason that a specific penalty or punishment is imposed by the 45th section for a violation of the 45th section. *United States v. 1412 Gallons*, 428

10. A statute which is of doubtful or double meaning, should not be construed in its harshest possible sense, when persons to whom it applies may have been led to trust in a less severe construction of it, but one equally satisfying its terms. *id.*

11. Apart from the consideration last

stated, the construction of the Act, above stated, is deemed the most natural and to best conform to the intention of Congress and the design of the Act. *id.*

J.

JURISDICTION.

1. The point, that a cause of action arose in the Northern District of New York, so as not to be cognizable by the Circuit Court for the Southern District of New York, may be voluntarily waived by a defendant, and is waived where, in a suit in equity, it is not raised in the answer. *Black v. Thorne*, 66

See BANKRUPTCY, 31.

JURORS.

1. The decision in *United States v. Reed*, (2 *Blatchf. C. C. R.*, 485,) cited and approved. *United States v. Tallman*, 21
2. A motion to quash an indictment was heard on an agreed statement of facts, without putting the defendant to plead the matters alleged as grounds for the motion. *id.*
3. The provisions of the Revised Statutes of the State of New York, (2 *R. S.*, 724, §§ 27, 28,) are, by the Act of Congress of July 20th, 1840, (5 *U. S. Stat. at Large*, 394,) made applicable to the Federal Courts, and no challenge to an array of grand jurors, or to any person summoned to serve as a grand juror, and no objection to the competency of any person summoned to serve as a grand juror, can be allowed, other than an objection to a grand juror, before he is sworn, on the ground that he is the prosecutor, or complainant, on a charge, or is a witness on the part of the prosecution, and has been subpoenaed, or been bound in a recognizance, as such. *id.*
4. Irregularities in the summoning of grand jurors do not entitle a party in-

dicted, as matter of law, to avoid the indictment. *id.*

5. Where the accused shows that he has been prejudiced by irregularity or fraud in designating, summoning, and returning the grand jury, he has his remedy, by motion to the Court, for relief. *id.*

6. The Rule of this Court, of November 11th, 1867, in regard to the designation and selection of jurors, is a proper provision. *id.*

7. It not being shown that the officers acting in this case, under that Rule, had not acted in good faith, in compliance therewith, and no fraud being alleged, nor any prejudice to the accused, a motion to quash the indictment, on the ground of alleged irregularities in selecting the grand jurors, was denied. *id.*

8. A grand jury selected and drawn in accordance with that Rule, is not irregularly or illegally selected or drawn. *id.*

9. The Act of July 20th, 1840, does not require literal conformity to the mode of selecting and drawing jurors prescribed by the State laws, but only substantial conformity, and that only as far as practicable. *id.*

10. What is thus practicable, defined. *id.*

JURY.

See JURORS.

L.

LIEN.

1. The master of a vessel made a written contract with persons described in it as shipwrights and spar makers, to furnish a mast to the vessel, for an agreed price. He had the money to pay for it. The contractors ordered it from the libellant, and took it from his yard, and put it into the vessel, and the master paid the contractors or it, but they did not pay the libel-

lant: *Held*, that the libellant had no lien on the vessel for the value of the mast. *The Eledona*, 511

See BANKRUPTCY, 42, 43.

LOOKOUT.

See COLLISION, 18, 19.

M.

MARRIED WOMAN.

See COMMON CARRIER, 1.

MASTER.

See COSTS,
EQUITY, 2.
LIEN.
TOWAGE, 1, 2.

MORTGAGE.

See BANKRUPTCY, 1 to 5, 28 to 31,
42, 43.

N.

NAVIGATION.

See COLLISION.

P

PATENT.

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2. Caveat.
3. Specification, (9.)
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5. License, (10.)
6. Reissue, (11 to 15.)
7. Extension, (16 to 20.)
8. Abandonment, (21 to 24.)
9. Novelty, (25, 26.)
10. Utility, (27.)
11. Infringement, (28, 29.)
12. Injunction, (30 to 32.)
13. Particular Patents.
- (1.) Hicks — Breech-loading fire-arm, (33 to 38.)

- (2.) Thompson—Burning wet fuel, (39 to 48.)
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 - (13.) Gallahue—Shoe-pegging machine, (87.)
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 - (16.) Densmore — Grain-harvester, (99 to 106.)
 - (17.) Decker—Billiard-table cushion, (107 to 110.)
 - (18.) Cook—Cotton-bale tie, (111 to 114.)
 - (19.) Eickemeyer Hat-blocking Machine Co.—Stretching hat-body machine, (115 to 119.)
 - (20.) Robertson—Hand-stamp, (120 to 125.)
 - (21.) Bliss—Hose-coupling, (126 to 128.)
1. *Invention.*
1. In order to sustain a patent for an invention, it is not necessary that the inventor should reduce the invention to practical use before he obtains the patent. *Wheeler v. Clipper Mower & Reaper Co.*, 181
 2. All that is necessary is, that the invention should be perfected, and the proper specification, drawings and model be furnished. *id.*
 3. A patent does not become void, if the patentee does not, after the patent is granted, put the invention into practical use. *id.*
 4. A device which cannot be reduced to practical operation and use with-
- out the aid of further invention, is not patentable; but it is not necessary to the patentability of a device, that it should have, in itself, apart from any connection with, or application to, other known devices or instrumentalities, capacity to produce practically useful results. *id.*
5. The right of a patentee to protection is not to be tested by the question, whether, in a state of the art subsequent to the granting of his patent, his invention, without improvement, would be deemed of value. *id.*
 6. It is not true of a machine, as such, that, because every one of its members performs in it the identical office which it would perform howsoever used, their conjoint action in the new combination may not produce a result useful and never before attained. *Gallahue v. Butterfield*, 232
 7. Where one or more of the parts are new, and the combination is, for that reason, made to produce a new result, in the greater rapidity and economy with which the work can be performed, there is something more than mere aggregation. *id.*
 8. Where the patentee drove his awl-carrier by a spring made to operate automatically, and the use of such spring, for such purpose, was new, and could not be usefully employed without the use of a gauge for the edge of the sole to rest against: *Held*, that the combination of a gauge with an awl-carrier driven by a spring was a new combination, and not a mere aggregation, although the gauge and the awl-carrier were old, and operated, in relation to each other, in no new manner, in the new combination. *id.*
- See 51 to 54, 57 to 68, 70 to 78, 82, 83, 96, 104, 118.
2. *Caveat.*
- See 121.
3. *Specification.*
9. A claim for devices described, which

are alleged to produce a specified result, is not rendered invalid by proof that, under special circumstances, and on exceptional occasions, such result is not produced. The claim will be construed as describing the general rule of the operation of the device. *Wheeler v. Clipper Mower & Reaper Co.*, 181

See 86, 41 to 43, 73, 97, 99 to 104, 118.

4. Assignment.

See 10, 16 to 20.

5. License.

10. W., the patentee of a machine for quarrying stone, assigned his patent to C. Before that, W. had made a written agreement with S., transferring to S., and his assigns, "the right to use the patented invention, to the extent of one machine," in the quarry of S., "and in no other place," to the full end of the term of the patent, and further agreeing, that S. should have the privilege of using additional machines, in such quarry, and not elsewhere, on making certain specified gross payments to W. The agreement further provided, that W. should superintend the construction of at least one machine, and be compensated therefor by S., for days' labor, S. to pay for constructing the machine. One machine was built, and paid for by S., and put to work in the quarry of S. S. used it for a time and then ceased, for more than two years, to use it, but, during the interval, repaired it. During the same interval, it was used by R., in a different quarry, with the knowledge of S. Afterwards, S. put into use, in his quarry, five machines got up by one L. C. notified S., that the machines of L. infringed the patent of W. S. had taken from L. an agreement by L. to defend the machines of L. against claims under the patent of W. S., after this suit was brought, tendered to C. and to W. money, as and for the payment for the right to use five additional machines, under the agreement with W.: *Held*,

(1.) That S. acquired, by the agreement with W., the right to manufacture, as well as the right to use, the machines mentioned in it, subject to its conditions;

(2.) That S. acquired the right to repair and rebuild the one machine, so as to have and keep in use one machine, in his quarry, during the life of the patent;

(3.) That S. was liable for the profits from the use of the one machine by R., and for the damage thereby sustained by C.;

(4.) That S. did not forfeit his rights in respect to the one machine, by allowing it to be used by R., in another quarry;

(5.) That S. was a naked infringer in using the five machines of L., and could not defeat the right of C. to recover in this suit, in respect of such use, by the tender above mentioned;

(6.) That S. had abandoned and forfeited all right, under the agreement with W., in respect of any additional machines, beyond the one machine;

(7.) That S. must be enjoined from using any but the one machine first put into use, and be decreed to pay all profits made by him by the use of the five machines, or by the use of the one machine by R., and all damages sustained by C. from both of such users. *Steam Cutter Co. v. Sheldon*, 1

6. Reissue.

11. In the reissue, under § 53 of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 205.) of a chemical patent, it is necessary to its validity, that the subject matter of it should be found described in the original patent. *Tarr v. Webb*, 96

12. Where a patent claims a combination of several devices, it may be reissued to claim the devices separately, if new and useful, even though the aggregate combination claimed in the original patent was not, by itself, useful, or was even impracticable, provided the reissue points out how the devices separately claimed may be reduced to practical use. *Wheeler v. Clipper Mower & Reaper Co.*, 181

13. A patentee, in his original patent, described a spring and a weight, acting conjointly to drive down an awl-carrier and a peg-driver. In a reissue of the patent, he claimed the use of the spring alone, for that purpose, without the weight. The defendant used, for the purpose, a powerful spring, equivalent to the spring and weight: *Held*, that the claim in the reissue was valid, and that the defendant infringed it. *Gallahue v. Butterfield*, 232

14. A patentee, whose devices are new, is at liberty to claim each, by way of reissue, although he may have represented and claimed them originally as acting conjointly. *id.*

15. A reissued patent sustained, against objections as to its variance from the original patent, in what were mere matters of mechanical adaptation. *Decker v. Grote*, 331

See 41, 42, 55, 56, 105, 120, 121.

7. Extension.

16. S., a patentee, assigned to R. all his interest in "the invention as secured to him by the patent," for the whole of the United States, (reserving to J. the right to use the patent at a particular place, and to sell in particular territory the products of such use,) the same to be held and enjoyed by R., for his own use and that of his representatives, "to the full end of the term for which said letters patent are or may be granted," as fully and entirely as the same would have been held and enjoyed by S., had the assignment not been made. This assignment was recorded in the Patent Office. Subsequently, the patent was extended to S., and he afterwards assigned to E. all his interest in the extension. E. went on to use the invention, and was sued by R., in equity, for infringement; *Held*, that the right to the extended term passed to R., the first assignee. *Ruggles v. Eddy*, 52

17. The legal effect of the assignment to R. cannot be varied by parol evidence not showing mutual mistake. *id.*

18. The title of R., if regarded as an equitable title, is sufficient to enable him to sue E., in equity, E. having taken title after the assignment to R. was recorded. *id.*

19. But, *semble*, that R. took the legal title. *id.*

20. T., having made an invention, and applied for letters patent for it, on a specification filed in the Patent Office, assigned to H., in 1852, "all the right, title, and interest whatsoever, which I now have, or, by letters patent, would be entitled to have and possess, in the aforesaid invention, the said invention being described in the specification as prepared and executed by me, or to be prepared and executed by me, for the obtaining of said letters patent, the whole to be held and enjoyed" by H., "to the full extent and manner in which the same would have been, or could be, held and enjoyed by me, had this assignment never been made," and authorized the issue of "the said" patent to H., "as the assignee of my whole right and title to the same, and to the new invention aforesaid." A patent was accordingly granted to H., on the invention, in 1852. In 1854, H. assigned to S. all his interest in any extended term of the patent. In 1866, the patent was extended, to T.: *Held*, that, by the assignment of 1852, no right to the extended term passed to H., and, consequently, S. had no such right. *Mowry v. Grand St. & Newtown R. R. Co.*, 89

8. Abandonment.

21. Mere lapse of time, before an inventor applies for a patent for his invention, does not, *per se*, constitute an abandonment of the invention to the public. *Russell & Erwin Mfg. Co. v. Mallory*, 140

22. The question of abandonment, whether in regard to the time prior to two years before the application for the patent, or to the time included in such two years, is a question of fact. *id.*

23. An inventor is not required to put

his invention into public use before he applies for his patent. *id.*

24. Mere public use and sale of an invention, before a patent for it is applied for, does not invalidate the patent, unless the public use and sale were with the consent and allowance of the inventor. *id.*

9. Novelty.

25. Where a machine, not brought into effective operation, was cast aside and taken apart, without any intention to reconstruct it, portions of it being appropriated to other uses, and the remaining parts being wholly useless for any purpose within the purview of a subsequent patent: *Held*, that, as an answer to such patent, such machine must be regarded as an abandoned experiment. *Gallahue v. Butterfield*, 232

26. Abandoned experiments, commented on. *Decker v. Grote*, 331

See 51 to 54, 57 to 68, 70 to 78, 90 to 96, 101, 103, 110, 114, 118.

EVIDENCE.

10. Utility.

27. A machine cannot be pronounced useless or impracticable because it is susceptible of improvements which will obviate or prevent embarrassments to its most perfect operation. *Wheeler v. Clipper Mower & Reaper Co.*, 181

See 4, 5, 12, 85, 124, 126 to 128.

11. Infringement.

28. A patent for a device cannot be avoided by dividing the device into two parts, which, when combined, produce the same result, in substantially the same way. *Wheeler v. Clipper Mower & Reaper Co.*, 181
29. A device is not less an equivalent of another, because, superadded to all the functions of such other, it may perform a further office, or, because, besides all the functions of such other,

it performs some one of the offices more effectively, or better, so long as it performs them in substantially the same way, and uses substantially the same means. *id.*

See 10, 37, 47, 79, 98, 106 to 109, 113, 115 to 117.

12. Injunction.

30. Mere lapse of time is not sufficient to show public acquiescence in a patent; but the acquiescence must be attended with circumstances indicating that such acquiescence would not have occurred if any fair doubt had existed as to the validity of the patent. *Guidet v. Palmer*, 217

31. The plaintiff had a patent for a pavement, and had been employed to lay some fourteen miles of it by the authorities of the cities of New York and Brooklyn, during the past four years. No other acquiescence was shown: *Held*, that that was insufficient to raise a presumption in favor of the validity of the patent. *id.*

32. Facts stated, which warranted the refusal of a provisional injunction to restrain the infringement of a patent, where the public interest was concerned. *id.*

See 30 to 32, 49, 50.

13. Particular Patents.

- (1.) *Hicks—Breech-loading fire-arm.*

33. The reissued letters patent granted to William C. Hicks, March 1st, 1870, for an "improvement in breech-loading fire-arms," the original patent having been granted to Hicks, as inventor, March 10th, 1857, are valid. *Renwick v. Pond*, 39

34. Hicks was the first person who devised a practical mechanism for certainly withdrawing a loaded cartridge from its chamber, in a breech-loading fire-arm, under all conditions, as well as when its rim or flange has not been expanded by the blow of a striking instrument, as when it has been so expanded, by effecting such

- withdrawal, through the engagement, within the periphery of such chamber, of a hook, actuated automatically, with a metallic flange forming part of the cartridge. *id.*
35. Although the patent describes the invention as applied to a cartridge, the flange of which radiates inwardly towards the longitudinal axis of the cartridge, and describes the hook as a rigid hook, and the flange as springing, to engage with the hook, yet an arm in which a cartridge is used, the flange of which radiates outwardly from the longitudinal axis of the cartridge, and is rigid, and in which the hook springs, to engage with the flange, infringes the first three claims of such patent, provided such arm has a breech-closing piece moving longitudinally with the barrel, a cartridge chamber at the butt of the barrel, and a reciprocating extracting hook, arranged in such manner that, when the breech is closed by the forward movement of the closing piece, the bill of the hook is within the periphery of such chamber, and, being in its most forward position, is in advance of the rear of the space in which the cartridge is received, so as to engage with the unexpanded front side of the flange of the cartridge, and only one side of the flange is engaged with the bill of the hook, avoiding any difficulty in disengaging the cartridge. *id.*
36. Claiming the arrangement of a combination, when the arrangement is such as to produce a given mechanical result of the combination, is not a claim to a function, nor is it a claim to a result, irrespective of the means of producing it, but it is a claim to the means alone, and only when specially arranged to produce a given result. *id.*
37. In order to infringe the patent, it is not necessary to use a cartridge, if an arm be sold, capable of being, and designed to be, used to effect the result of the patent, by the means specified in its claims, and requiring only the addition of the cartridge by the purchaser. *id.*
38. The reissued letters patent granted to William C. Hicks, March 1st, 1870, for an "improvement in breech-loading fire-arms," (*ante*, p. 39,) are valid, as against what is shown in a caveat filed in the Patent Office by George W. Morse, August 24th, 1855, and what is shown in letters patent granted to said Morse, October 28th, 1856. *Renuick v. Cooper*, 201
- (2.) *Thompson—Burning wet fuel.*
39. The reissued letters patent granted to Moses Thompson, March 31st, 1857, for an "improvement in furnaces for burning wet fuel," the original patent having been granted to him, as inventor, April 10th, 1855, and reissued to him October 7th, 1856, and the patent having been extended for seven years from April 10th, 1869, and the letters patent granted to said Thompson, December 15th, 1857, for an "improvement in bagasse furnaces," and extended for seven years from December 15th, 1871, are valid. *Black v. Thorne*, 66
40. The first claim of the reissue of 1857, namely, "Using green bagasse, wet tan, wet sawdust, and other wet carbonaceous or vegetable substances, as fuel, for the production of intense heat, by mingling the gases issuing from a highly heated mass thereof, with those arising from carbonaceous combustion, by the intervention of a flue or chamber, with which the chamber or chambers containing the fire and charge of wet substances communicate, and in which said gases meet, mingle and consume each other, on their way to the apparatus to be heated and to the stack," is a claim to the use of a flue or chamber, intervening between, on the one hand, the chamber or chambers containing the fire of carbonaceous combustion and a highly heated mass of the wet substances named, and, on the other hand, the apparatus to be heated and the stack, for the purpose of mingling, in such chamber, the gases issuing from such highly heated mass with the gases arising from the fire of carbonaceous combustion, so that such gases may consume each other in such flue or chamber, and thus in-

tense heat be produced, by the use, for fuel, of such wet substances. *id.*

41. As the model and drawings of the reissue are the same as those of the original patent, and show such a mingling or mixing chamber as is claimed in such first claim, and such an arrangement of parts, as, when used according to the directions of the patentee, with the fuel named, will produce the result described in said claim, and as the specification of the original patent gives substantially the same directions for producing such result as are given in the reissue, such claim is valid. *id.*

42. Although, in the reissue, the patentee disclaims the arrangement of a series of fire-chambers to communicate with one common flue, irrespective of the purpose for which, and the manner in which, the arrangement is employed, he can lawfully claim the arrangement which he uses, when used for the purpose for which he employs it, and can lawfully claim it when used in the manner in which he employs it. *id.*

43. The said first claim is for a process carried into effect by an apparatus. The prior apparatus would not have enabled the patentee to work his new process, nor was such process ever worked before in any apparatus. *id.*

44. The second claim of said reissue, namely, "The combustion, for the purposes of a high degree of heat, of bagasse, refuse tan, sawdust, and other wet refuse substance, or very wet and green wood, by the employment of a series of fire-chambers arranged in any manner substantially as described, to communicate with one common flue or mixing chamber, when any number of said chambers are nearly closed to the admission of air, when first charged, as described, whilst the remaining chamber or chambers is in full communication with the mixing chamber, and has a proper supply of air admitted, and the ash-pit of each chamber, in its turn, is nearly closed, and then opened, and has air admitted, whereby the heat required is rendered

continuous and comparatively uniform, while the fuel in some of the chambers is being heated and decomposed, and its gases sent forward to the mixing chamber, to any desirable degree, as herein set forth," is a claim for an apparatus when employed to work a process, the apparatus and the process being both of them new with the patentee. *id.*

45. The claims of the letters patent granted to said Thompson, December 15th, 1857, for an "improvement in bagasse furnaces," are for special constructions to work out more effectually the process of burning wet fuel discovered by Thompson and made known in his original patent of 1855, and are valid claims. *id.*

46. The form of apparatus shown by Thompson in his drawings, and described, admits of many formal variations, within the principle of his inventions, and the scope of his claims. *id.*

47. Consideration of constructions which would infringe various claims of Thompson's patents. *id.*

48. Thompson was the first to discover and put in practice the true method of economically burning wet fuels, and obtaining from them better results than from equal quantities of dry fuels. *id.*

(3.) *Tanner—Car-brake.*

49. Whether the claim of the letters patent granted, July 6th, 1852, to Henry Tanner, as assignee of Lafayette F. Thompson and Asahel G. Bachelder, for an "improved mode of operating the brakes of railway cars," namely, "To so combine the brakes of the two trucks with the operative windlasses, or their equivalents, at both ends of the car, by means of the vibrating lever, A', or its equivalent, or mechanism essentially as specified, as to enable the brakeman, by operating either of the windlasses, to simultaneously apply the brakes of both trucks, or bring or force them against their respective wheels, and whether he be at the forward or rear end of the car," is

- limited to a combination of two or more brake systems, as they are ordinarily found in the swivelling car-trucks of an eight-wheeled car, with each other and with the operative windlasses, by means of a vibrating lever, or whether it covers any combination of the brakes of a car with each other, and with the windlasses, by means of a vibrating lever, so that all the brakes can be applied simultaneously from either end of the car, even where the car has no swivelling trucks with separate brake systems, *quere. Mowry v. Grand St. & Newtown R. R. Co.*, 89
50. The latter construction of the claim not having been maintained in any judicial decision, or acquiesced in by the public, and its novelty, on such construction, being shown to be doubtful, an application for a provisional injunction against an arrangement which was no infringement except on such construction, was refused. *id.*
- (4.) *Tarr and Wonson — Paint for ships' bottoms.*
51. The claim of the reissued letters patent, No. 4,598, division A, granted October 17th, 1871, to James G. Tarr and Augustus H. Wonson, for an "improvement in paint for ships' bottoms," the original patent having been granted to them November 3d, 1863, and reissued August 6th, 1867, and again reissued in two divisions, October 17th, 1871, namely, "A paint, consisting of oxide of copper, with a suitable vehicle or medium, substantially as described," read in the light of the specification attached, seeks to secure any mixture capable of being applied as a paint, in which oxide of copper is an ingredient, and, so understood, is invalid. *Tarr v. Webb*, 96
52. The poisonous effect of oxide of copper was known, and the protection of surfaces by applying compounds to them was known. *id.*
53. A monopoly of the use of a well-known substance, in a particular but well-known form, cannot be secured. *id.*
54. The subject-matter of the patent, even if patentable, was not new. *id.*
- (5.) *Lockwood — Shirt-collar.*
55. The reissued letters patent, No. 1,828, granted to William E. Lockwood, as assignee, November 29th, 1864, for an "improvement in shirt-collars," the original patent, No. 11,376, having been granted to Walter Hunt, as inventor, July 25th, 1854, the claim thereof being, "As a new manufacture, a shirt-collar composed of paper and muslin, or its equivalent, and polished or burnished substantially as and for the purpose described," are not invalid, as being for an invention different from that described in the original patent. *Union Paper Collar Co. v. Van Deusen*, 109
56. Under the language of the specification of the original patent, such claim would have been a proper claim in such patent. It is, therefore, a proper and valid claim in the reissue. *id.*
- (6.) *Lockwood — Collar.*
57. The reissued letters patent, No. 1,980, granted to William E. Lockwood, as inventor, June 6th, 1865, for "improvements in collars," the claim thereof being, "As a new article of manufacture, an embossed collar or cuff, made of a fabric composed of paper and muslin, or an equivalent fabric," and reissued letters patent, No. 1,981, granted to said Lockwood, as inventor, June 6th, 1865, for "improvements in collars," the claim thereof being, "As a new article of manufacture, an ornamental collar or cuff, made of a fabric composed of paper and muslin, or of an equivalent fabric, ornamented by printing or otherwise marking on the surface plain or colored devices," the original patent, No. 23,771, having been granted to said Lockwood, April 26th, 1859, are both of them invalid. *Union Paper Collar Co. v. Van Deusen*, 109
58. No. 1,980 does not claim any appliance or machinery for embossing

or any process of embossing, but only the result, in the embossed article, as a new article of manufacture; and is merely for embossing on a surface which imitates starched linen, the starched linen collar, with its surface embossed, having existed before, the invention of the imitative surface, or of a means of producing it, not being claimed, and the fabric of paper and muslin being old. *id.*

59. There was no patentable novelty in the idea of embossing the imitative surface. *id.*

60. No. 1,981 does not claim any machinery or process for doing the printing, but only the result, in the printed article, as a new article of manufacture; and is merely for printing plain or colored devices on a surface which imitates starched linen, printing having been done before on a smooth, white, enamelled surface, the invention of an imitative surface, or of the means of producing it, not being claimed, and the fabric to be printed upon being old. *id.*

61. There was no patentable novelty in the idea of printing on the imitative surface. *id.*

(7.) *Gray—Shirt-collar.*

62. The first claim of the reissued letters patent No. 1,646, granted to Solomon S. Gray, as inventor, March 29th, 1864, for an "improvement in shirt collars," the original patent, No. 38,961, having been granted to him June 23d, 1863, namely, "The turning over of a paper, or of a paper and cloth, collar, by a defined line, whether pressed into the material by a die or pointed instrument, or by bending it over the edge of a pattern or block, of the proper curve or line, substantially as described," claims a defined line, whether straight or curved, made by the means indicated, and is void, for want of novelty. *Union Paper Collar Co. v. Van Deusen,* 109

63. The second claim of the said Gray reissue, namely, "Turning the part B, of a paper, or a paper and cloth, collar, over, on to or towards the

part A, in a curved or angular line, instead of a straight line, substantially as and for the purpose described," embraces the third claim, namely, "So turning over the part B, on to or towards the part A, in the manner above described, as that a space shall be left between the two parts, for the purpose and substantially in the manner, herein described," and is void for want of novelty, as is, also, the third claim. *id.*

(8.) *Woodbury—Paper shirt-collar.*

64. The reissued letters patent, No. 2,309, granted to James A. Woodbury, as assignee, July 10th, 1866, for an "improvement in paper shirt-collars," the original patent, No. 38,664, having been granted to Andrew A. Evans, as inventor, May 26th, 1863, the claim thereof being, "A collar made of long fibre paper, substantially such as is above described," are void. *Union Paper Collar Co. v. Van Deusen,* 109

65. The invention claimed is not the process of making a paper possessing the qualities indicated, but the making of collars out of such a paper. *id.*

66. Whatever invention there was to be made in the premises, was an invention of the paper possessing the described properties; and the inventor of the paper is he who invents the process of producing the paper. *id.*

67. Evans did not invent such process, and was not entitled to a patent for the paper, or for the collar to be made from it. *id.*

(9.) *Woodbury—Paper cuff.*

68. The first claim of letters patent No. 56,737, granted to James A. Woodbury, as assignee of Andrew A. Evans, as inventor, July 31st, 1866, for an "improvement in paper cuffs or wristbands," namely, "As a new article of manufacture, a wristband or cuff, made of long fibre paper, substantially such as is above described," is void, for the same reasons for which the claim of the said

- reissue No. 2,809 is void. *Union Paper Collar Co. v. Van Deusen*, 109
69. The second claim of the said patent No. 56,787, namely, "Making said wristband or cuff reversible, substantially as and for the purpose described," was new and patentable. *id.*
- (10.) *Rumford Chemical Works—Pulverulent acid.*
70. The first and second claims of the reissued letters patent granted to the Rumford Chemical Works, June 9th, 1868, as assignees of Eben N. Horsford, as inventor, for an "improvement in pulverulent acid for use in the preparation of soda powders, farinaceous food, and other purposes," the original patent having been granted to Horsford April 22d, 1856, and reissued to the plaintiffs May 7th, 1867, and again reissued to them June 9th, 1868, namely, (1.) "As a new manufacture, the above described pulverulent phosphoric acid;" (2.) "The manufacture of the above described pulverulent phosphoric acid, so that it may be applied in the manner and for the purposes described," are void for want of novelty, regarding the second claim as one to the described process of making the acid claimed in the first claim as a new manufacture. *Rumford Chemical Works v. Lauer*, 122
71. Two chemical processes held to be the same, although the proportions of the ingredients used in the two were not the same. *id.*
72. The products of the two processes held to be the same. *id.*
73. The 9th section of the Act of March 3d, 1837, (5 *U. S. Stat. at Large*, 194,) is designed to allow a patentee to recover on one claim of his patent, notwithstanding other claims in it are void for want of novelty, but it requires that the parts claimed without right, and the parts rightfully claimed, shall be definitely distinguished from each other in the claims. *id.*
74. The third claim of the said patent, namely, (3.) "The mixing, in the preparation of farinaceous food, with flour, of a powder or powders, such as described, consisting of ingredients of which phosphoric acid, or acid phosphates, and alkaline carbonates are the active agents, for the purpose of liberating carbonic acid, as described, when subjected to moisture or heat, or both," is a claim to the mixing of the acid and the alkali with the flour, in a dry state, and stopping at that point, without applying moisture or heat. *id.*
75. Such claim is void, in view of the letters patent granted by the United States, May 1st, 1849, to John Fowler, which describe a mixture consisting of flour, and dry, powdered, tartaric acid, and a dry, powdered, alkaline carbonate, requiring only the addition of water to make dough. *id.*
76. The substitution of phosphoric acid, or acid phosphate, in the mixture referred to in such claim, in place of the acid named in Fowler's patent, was a mere formal and colorable alteration of Fowler's mixture, and not an invention, and not the subject of a patent. *id.*
77. The fourth claim of the said patent, namely, (4.) "The use of phosphoric acid, or acid phosphates, when employed with alkaline carbonates, as a substitute for ferment or leaven, in the preparation of farinaceous food," is a claim to the actual use of such acid and alkali in making raised dough, and is valid. *id.*
78. It required experiment and invention to find out whether phosphoric acid could be used in place of tartaric acid practically and successfully, and with safety to health. *id.*
79. Proper form of decree, on the infringement of the fourth claim. *id.*
80. Motion to amend a bill of complaint, denied. *id.*
81. Motion to open proofs, and for a rehearing, granted. *id.*
- (11.) *Webb—Reversible latch.*
82. The claim of the letters patent granted to Rodolphus L. Webb, December 31st, 1867, for "improve-

ments in reversible locks and latches," namely, "The combination of a lock and latch, when the latch bolt and its operative mechanism are arranged in a case or frame independent of the main case, and constructed so that the latch bolt may be reversed, substantially as described, without removing the said independent case from the main case." is not open to the objection that it claims merely the combination of a lock and latch, and so claims merely the aggregation of two things which have no relation to each other, in performing their separate functions, and which are not patentable, as a combination. *Russell & Erwin Mfg. Co. v. Mallory*, 140

83. The claim does not claim, as an invention, the combination of a lock with a latch, but claims a reversible latch, constructed as described, to be used in connection with, and enclosed by, the lock case. *id.*

(12.) *Wheeler—Harvester.*

84. The reissued letters patent, Nos. 875, 877, and 879, granted to Cyrenus Wheeler, Jr., January 3d, 1860, (the original patent having been granted to him December 6th, 1854,) and the reissued letters patent No. 2,610, granted to said Wheeler, May 14th, 1867, as a reissue of reissue No. 876, granted January 3d, 1860, of the same original patent, and the reissued letters patent, No. 2,632, granted to said Wheeler, May 28th, 1867, (the original patent having been granted to him February 6th, 1855,) all for "improvements in grain and grass harvesters," are valid. *Wheeler v. Clipper Mower & Reaper Co.*, 181

85. Said original patent of 1854 is not open to the objection, that the machine described in it was not susceptible of reduction to practical use. *id.*

86. The question of the infringement of the said patents, considered. *id.*

(13.) *Gallahue—Shoe-pegging machine.*

87. The claims of the reissued patent granted to Alpheus C. Gallahue, July

6th, 1869, (the original patent having been granted to him August 16th, 1853, and extended,) and of the reissued patent granted to said Gallahue, June 22d, 1869, (the original patent having been granted to him March 29th, 1859,) and of the patent granted to said Gallahue, August 26th, 1862, all for "improvements in machines for pegging shoes," considered. *Gallahue v. Butterfield*, 232

(14.) *Piper—Preserving fish.*

88. The claim of the letters patent granted to Enoch Piper, March 19th, 1861, for an "improvement in method of preserving fish," namely, "Preserving fish, or other articles, in a close chamber, by means of a freezing mixture, having no contact with the atmosphere of the preserving chamber, substantially as set forth," is void, for want of novelty. *Piper v. Moon*, 264

89. Whenever an article, already frozen, is preserved in a frozen state, in a close chamber, by means of a freezing mixture, which has the effect to keep the frozen article in such frozen state, while, at the same time, such mixture has no contact with the atmosphere of the preserving chamber, the claim of the patent is infringed. *id.*

(15.) *Smith—Locomotive-truck.*

90. The claim of the letters patent granted to Alba F. Smith, February 11th, 1862, for an "improvement in trucks for locomotives," namely, "The employment, in a locomotive engine, of a truck or pilot wheels, fitted with the pendent links, *o, o*, to allow of lateral motion to the engine, as specified, whereby the drivers of said engine are allowed to remain correctly on the track, in consequence of the lateral motion of the truck, allowed for by said pendent links, when running on a curve, as set forth," is a claim for the use in, and the combination with, a locomotive engine, (that is, a structure having, at its rear end, not a swivelling truck, but non-swivelling driving wheels, with axles rigidly attached to the body of the engine,) of a swivelling pilot or lead-

- ing truck, provided with pendent links, to allow the forward part of the engine to move laterally over the truck, when the truck and the driving wheels are not together in a straight track, whereby the forward part of the engine can move onward in a line tangent to a curve, while the axles of the driving wheels are parallel, or nearly so, to the radial line of the curve, and the axles of the truck wheels also become parallel to the radial line of the curve, because the truck is made to swivel around the king-bolt, by the action of the rails on the flanges of the truck-wheels. *Locomotive Engine Safety Truck Co. v. Erie Railway Co.*, 292
91. The nature of the invention covered by such claim, explained. *id.*
92. Such claim is not anticipated by the patent granted to Bridges and Davenport, May 4th, 1841, for an "improvement in railway-carriages," although such patent shows the use, at each end of a railway-car, of a swinging bolster, in a truck swivelling on a king-bolt, the body of the car being connected to the truck-frame by pendulous links, from which such body is hung, whereby a lateral motion of the truck is permitted, independently of the body of the car. *id.*
93. Nor is such claim anticipated by the patent granted to Kipple and Bullock, December 20th, 1859, for an "improvement in car-trucks," although the mode of operation of the Kipple and Bullock truck, *per se*, in a car having a like truck at the other end, is the same, for all the purposes of the truck itself, that it is in a structure which has driving wheels at the other end. *id.*
94. Nor is such claim anticipated by the patent granted to Levi Bissell, August 4th, 1857, for an "improvement in trucks for locomotives." *id.*
95. The arrangement of Bissell, explained. *id.*
96. The combination of Smith was patentable, because it produces a new mode of operation, and new results, in the structure as a whole, although the truck used by Smith was old, and, as respects itself, in swivelling and in having a lateral movement, operates in the same way as it did in the car which had two of such trucks. *id.*
97. The fact that Smith's patent is granted for an "improvement in trucks for locomotives," and that the truck he uses was old, and that his invention is really an improvement in locomotives, forms no objection to the validity of the patent. *id.*
98. Under a bill alleging an infringement by making and using the patented invention, the allegation is sustained by proof of using alone. *id.*
- (16.) *Densmore—Grain-harvester.*
99. The state of the art, prior to the date of the alleged invention of Byron Densmore, embraced in letters patent granted to him February 10th, 1852, for an "improvement in grain-harvesters," set forth. *Kirby v. Dodge & Stevenson Mfg. Co.*, 307
100. In that patent, Densmore does not claim shifting the position of the axle of the main wheel, relatively to the height of the cutter frame, nor placing the main wheel in one frame and the cutter, or platform and cutter, on another, nor hinging the cutter frame and the wheel frame together, so as, by the action on the hinge, to effect the raising or lowering of the cutter. *id.*
101. Such omission to claim, in that patent, anything in respect to using two frames, or hinging one frame to the other, is evidence, when the novelty of the device is in dispute, that Densmore was aware that he could not claim to be the first inventor of anything more than the special arrangement, or relative position, of the parts. *id.*
102. The question, whether the first claim of the reissued patent granted to William A. Kirby and others, January 28th, 1862, on the surrender of the said patent of 1852, and extended, January 30th, 1866, for seven years from the 10th of February,

- 1866, namely, "Hanging the driving wheel in a supplemental frame, or its equivalent, which is hinged, at one end, to the main frame, while its opposite end may be adjusted and secured at various heights, or be left free, as desired, whereby the cutting apparatus may be held at any desired height, for reaping, or be left free to accommodate itself to the undulations of the ground, for mowing, substantially as described," can be sustained, if construed so as to embrace anything except the special and specific arrangement described and shown in the original patent, with its specification, drawings and model, is not, upon the facts in this case, concluded by the decision in *Whiteley v. Kirby*, (11 Wallace, 678.) *id.*
103. If such claim be regarded as a broad claim to hinging the frame of the cutters to the wheel frame, and making it adjustable by changing the relative elevation of the two frames, it is not new. *id.*
104. If such claim be regarded as claiming a device to permit the cutters to vibrate, so as to follow the undulations of the ground, when in use, it is invalid, for the reason that Denamore had not invented any such device when his original patent of 1852 was granted. *id.*
105. The obtaining of such reissue was an attempt to extend the original patent over a feature which it did not embrace, and which the patentee had not conceived when he obtained that patent. *id.*
106. The defendant's machine held not to infringe the first claim of said reissue, construed as claiming the specific arrangement of two frames in the position and mode of operation described in the specification. *id.*
- (17.) *Decker—Billiard-table cushion.*
107. The claim of the reissued letters patent granted to Levi Decker, March 9th, 1869, for an "improvement in cushions for billiard tables," the original patent having been granted to him December 18th, 1866, namely, "The catgut or other cord, E, partially or fully imbedded, or otherwise attached, at the angle, α , of the rubber cushion, C, so as to protect said cushion against the impact of the ball, substantially as herein shown and described, and for the purposes set forth," covers the placing, and firmly securing, along the upper edge or corner of the rubber cushion, a strong, narrow cord, to receive the impact of the ball, and protect the cushion against such impact, by reason of its being placed at the point against which, and against which alone, the ball strikes, the stiff cord receiving such impact, in substantially a horizontal direction, and preventing the cushion from giving way under such impact, and from allowing the ball to ride over it and leave the table, while, at the same time, there is little friction from the impact, and the elastic force of the rubber acts fully, through the cord, interposed between it and the ball, to repel the ball, in substantially a horizontal direction. *Decker v. Grote*, 331
108. Such claim is infringed by imbedding the cord in the rubber cushion at the upper edge of it, and securing it there by placing it therein while the rubber is plastic, and before it is vulcanized, and having a thin portion of the rubber interposed between the cord and the outside of the edge. *id.*
109. Adding a device to give tension to a wire run through the edge of the elastic cushion, or using a new mode of introducing such wire, by a perforation near the edge of the rubber, does not, even though such devices may be patentable, justify the use of the substance of the plaintiff's invention, or the employment of an equivalent for the plaintiff's cord, either in respect of material used, or in respect of the manner of securing the cord, so that it may perform its office. *id.*
110. Such claim is not anticipated by an arrangement in which a stiff piece of elastic material was put along the upper face of the rubber, so as to be lifted by the force of the ball, when

the ball imbedded itself in the rubber beneath, and to act as a spring, to hug the ball down the table, and prevent its hopping or jumping. *id.*

(18.) *Cook—Cotton-bale tie.*

111. The invention described in the letters patent granted to Frederic Cook, March 2d, 1858, for an "improvement in metallic ties for cotton-bales," explained. *McComb v. Beard*, 350

112. The third claim of said patent, namely, "The herein described slot, cut through one bar of clasp, which enables the end of the tie or hoop to be slipped sidewise underneath the bar in clasp, so as to effect the fastening with greater rapidity than by passing the end of the tie through endwise," defined. *id.*

113. Such claim is infringed by the tie described in letters patent granted to George N. Beard, December 27th, 1870, for an "improvement in cotton-bale ties." *id.*

114. Such claim is new and valid. *id.*

(19.) *Eickemeyer Hat-blocking Machine Co.—Stretching hat-body machine.*

115. The second claim of the reissued letters patent granted to the Eickemeyer Hat-blocking Machine Company, as assignees of Rudolph Eickemeyer, December 1st, 1868, for an "improvement in machines for stretching hat-bodies," the original patent having been granted to said Eickemeyer, as inventor, February 28th, 1865, namely, "The combination and arrangement of the crown and tip-supporting ribs with the upper series of stretching devices, substantially as described, operating to stretch the tip and side-crown of the hat-body between them, substantially in the manner hereinbefore set forth," and the third claim of said reissued letters patent, namely, "The combination and arrangement of the brim-supporting ribs with the lower series of stretching devices, substantially as described, operating to stretch the brim of the hat-body be-

tween them, substantially in the manner set forth," are valid. *Eickemeyer Hat-blocking Machine Co. v. Pearce*, 408

116. The question of the infringement of such claims, considered. *id.*

117. The defendants' apparatus was held to infringe, because it embodied the essential features of said claims, although it contained, in addition, some features of construction and operation not found in the plaintiffs' patent, and improving the machine. *id.*

118. Former devices held not to anticipate said claims, because not combined in an organized machine. *id.*

119. Said claims do not cover such devices, when not combined and arranged in an organized machine. *id.*

(20.) *Robertson—Hand-stamp.*

120. The reissued letters patent granted to Thomas J. W. Robertson, December 12th, 1871, for an "improvement in hand-stamps," the original patent having been granted to him September 22d, 1857, and extended for seven years from September 22d, 1871, are valid. *Robertson v. Secombe Mfg. Co.*, 481

121. The introduction of a comma into the specification of the reissue, in a sentence found in the original specification, and alleged to be an interpolation, and to introduce a new idea, held to be accidental, and a clerical error. *id.*

122. A paper which the Commissioner of Patents had declared to form no part of a caveat, because it had been adjudged, by a commission appointed by him, to be fraudulent, and to have been surreptitiously introduced into the file of such caveat, held to form no part of such caveat. *id.*

123. The reissued letters patent granted to Thomas J. W. Robertson, for an "improvement in hand-stamps," involved in the suit of *Robertson v. The Secombe Manufacturing Co.*, (*ante*, p.

- 481,) again sustained. *Robertson v. Garrett*, 490
124. The objections, that the invention, as described in the specification, will not work, and that the defendants use, in addition to a handle, a guide or plunger, considered, and over-ruled. *id.*
125. The good faith of the defence, questioned. *id.*

(21.) *Bliss—Hose-coupling.*

126. The reissued letters patent, granted to William H. Bliss, December 21st, 1869, for an "improvement in hose-couplings," the original patent having been granted to William H. Bliss and Robert B. Lawton, February 22d, 1859, are void, because the invention claimed therein is worthless. *Bliss v. City of Brooklyn*, 521
127. It is of no utility without the addition of a lug, in combination. *id.*
128. The addition of the lug is not merely an improvement. *id.*

PLEADING.

1. The proper plea to a count on a breach of promise of marriage, is non assumpsit, and not not guilty; and a plea of not guilty will be stricken out, on special demurrer, as bad. *Wilkinson v. Pomeroy*, 524
2. A writ which requires the defendant to answer to the plaintiff in a plea of trespass, and, also, to a certain bill of the plaintiff against the defendant, for damages, in a sum named, for deceit and breach of promise of marriage, sets forth, in the action for deceit, an action in trespass on the case, and the rest of the *ac etiam* clause may be regarded as explanatory of the subject-matter to which the deceit was applied, or may be rejected as surplusage; and, therefore, the writ is not incongruous. *id.*
3. A variance between the writ and the declaration cannot be taken advantage of by a demurrer. *id.*

4. A count in assumpsit, for a breach of promise of marriage, and a count in tort, to recover damages for deceit, cannot be joined, and the defect can be reached by demurrer. *id.*
5. An objection, that a declaration shows that the cause of action is barred by the statute of limitations, cannot be taken by demurrer. *id.*

See COLLISION, 5.
EQUITY, 3, 4.
TOWAGE, 6.

PRACTICE.

1. The effect of the 5th section of the Act of June 1st, 1872, (17 *U. S. Stat. at Large*, 197,) which provides, that the practice, pleadings, and forms and modes of proceeding, in other than equity and admiralty causes, in the Circuit and District Courts of the United States, shall conform, as near as may be, to the practice, pleadings, and forms and mode of proceeding, existing at the time, in like causes, in the Courts of record of the State within which such Circuit or District Courts are held, is not to authorize the commencement of an action at law in the Circuit Court by a summons issued in the name of the plaintiff's attorney, according to the mode of commencing actions in the Courts of the State of New York. *Martin v. Criscuolo*, 211
2. When a suit in equity has been once heard, on issue joined, and is opened for a further hearing, on an amended answer, only as a matter of favor, it is too late to move for security for costs on the ground of the non-residence of the plaintiff, that having appeared on the face of the original bill. *Bliss v. City of Brooklyn*, 217

See ABATEMENT.
ADMIRALTY.
BANKRUPTCY, 24 to 30.
CORPORATION, 4.
EQUITY, 1, 5 to 7.
EVIDENCE.
JURISDICTION.
PATENT, 79 to 81.
REMOVAL OF CAUSES.

R.

RAILROAD.

See CORPORATION, 2, 5.

REBELLION.

See REMOVAL OF CAUSES.

REMOVAL OF CAUSES.

1. A suit brought in a State Court having been removed into this Court, under § 5 of the Act of March 3d, 1863, (12 *U. S. Stat. at Large*, 766,) as having been brought for an arrest of the plaintiff, made by the defendant, during the late rebellion, by authority of the President, the plaintiff moved to remand the cause to the State Court, on the ground that the jurisdiction of this Court over it had been taken away by the Act of March 2d, 1867, (14 *Id.*, 432;) *Held*, that the motion must be denied. *Lamar v. Dana*, 34

2. Notwithstanding the latter Act, the parties respectively can raise any questions in this Court, after removal here, which they could raise if the cause had been here commenced, or which they could raise in the State Court, if the cause were remanded. *id.*

3. If it be insisted that the said Act of March 2d, 1867, legalizing acts done by authority of the President, and forbidding all Courts, State or Federal, to take jurisdiction thereof, be invalid, as unconstitutional, such invalidity can be urged in the Federal Court, with the same effect as in the State Courts, and on like grounds. *id.*

4. An Act of Congress, relied upon as a defence, ought not to be declared unconstitutional, on such a motion, but such defence should be met in the ordinary mode, on trial, demurrer, or otherwise, in which a ruling upon the question may appear on the record, and, if need be, may be reviewed in the Court of last resort. *id.*

S.

SALE.

1. Where a vendee purchases goods by means of such fraudulent representations as entitle the vendor to disaffirm the sale and reclaim the goods as his own property, and the vendor, after discovering the fraud, voluntarily brings an action on the contract of sale and purchase, to recover the price, that is, as matter of law, an affirmation of the sale, and the vendor cannot thereafter set up title, and claim the goods, on the ground of the original fraud. *Dibbles v. Sheldon*, 178

SALVAGE.

1. A vessel, having been in collision and injured, was abandoned by her master and crew, as sinking, about twenty miles to the eastward of Sandy Hook. She was afterwards discovered by another vessel, and brought safely into New York, with her cargo. The value of the saved vessel and her freight and cargo was \$34,589 06. The District Court allowed \$6,000, as salvage, which included \$600 paid by the salvors to a tug, for towing the saved vessel: *Held*, that, on all the evidence, the allowance was not excessive. *The Anna*, 456
2. The discretion of the District Court, in fixing the amount of salvage, is not to be overruled, when no principle of law has been violated, unless the error is very clear. *id.*

SEVENTY-THREE NOTE.

See COMMON CARRIER, 4 to 9.

SHERIFF.

See BANKRUPTCY, 40, 41.

SHIPPING.

1. Section 62 of the Act of June 7th, 1872, (17 *U. S. Stat. at Large*, 276,)

making it an indictable offence to go on board of a ship about to arrive at the place of her destination, before her actual arrival, and before she has been completely moored, without permission of the master, is a valid enactment. *United States v. Anderson*, 226

2. The offence is indictable, under section 62, and is punishable, on conviction, by the imposition of a penalty not exceeding \$200, and imprisonment until the payment thereof, not exceeding six months. *id.*

3. It is not necessary for the United States, in such a prosecution, to prove that the prisoner was not in the United States' service, or was not duly authorized by law to go on board of the vessel. *id.*

4. A runner for a licensed keeper of a sailors' boarding-house is not exempt from the prohibition of section 62. *id.*

5. Climbing on the rail of the vessel, from a boat, in the act of entering on the vessel, without permission, is within the prohibition. *id.*

6. Proof that the master was not on board, and that the mate in command gave no permission, and caused the defendant to be arrested on the spot, is sufficient to support a conviction, in the absence of evidence showing a permission by the master. *id.*

7. When the offence can be committed by boarding an inward bound vessel, laden with cargo, at anchor, considered. *id.*

8. The section is intended to protect foreign vessels, as well as vessels of the United States. *id.*

See ADMIRALTY.
COLLISION.
TOWAGE.

STATUTE.

See INTERNAL REVENUE, 10.

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STEAMBOAT.

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STOCKHOLDER.

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SUIT.

See CORPORATION, 4.

SURETY.

See ADMIRALTY, 2.

T.

TAX.

See INTERNAL REVENUE, 7, 8.

TOWAGE.

1. Want of authority, in a discharged master of a vessel, to contract for her towage, considered. *The James A. Wright*, 160
2. Notice to the towing vessel, of such want of authority, considered. *id.*
3. Want of authority to contract, on behalf of the towed vessel, that the risks of the towage should not be borne by the towing vessel, considered. *id.*
4. Negligence in towing a vessel into a field of ice, and then leaving her to become a total loss, considered. *id.*
5. A total loss held to have been established by proof; but, the fact that the answer did not deny the allegation, in the libel, of a total loss, and substantially admitted one, would supply the place of absent proof. *id.*
6. The Commissioner's report as to the value of the lost vessel not disturbed, where there was conflicting evidence. *id.*

TRADE-MARK.

1. Section 77 of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 210,) provides, as a requirement for obtaining a trade-mark, the filing, in the Patent Office, of a declaration, under oath, as to the right to the trade-mark. A certificate by the Commissioner of Patents, of the deposit, for registration, of a trade-mark, of which a copy is given, and of the filing of a statement, of which a copy is annexed to the certificate,

(but which statement does not contain any such declaration,) and that the party depositing the trade-mark has otherwise complied with the Act, and that the trade-mark has been registered and recorded, and will remain in force for a period named in the certificate, is not evidence of the filing of such declaration. *Smith v. Reynolds*, 85

2. The firm of J. & Co., in registering a trade-mark for paints in the Patent Office, under sections 77, &c., of the Act of July 8th, 1870, (16 *U. S. Stat. at Large*, 210,) recorded, as the names of the parties desiring the protection of the trade-mark, and their residences and places of business, "J. & Co., of No. 276 Pearl Street, in the city of New York, county and State of New York, and engaged in the manufacture and sale of paints at said New York," and nothing further: *Held*, that it was not necessary to record the name of each of the individual partners of the firm, and his place of residence, and that the residence and place of business of the firm, as the party desiring the protection, were sufficiently stated. *Smith v. Reynolds*, 100
3. The Act requiring that "the class of merchandise, and the particular description of goods comprised in such class, by which the trade-mark has been or is intended to be appropriated," shall be recorded, it is sufficient, where a trade-mark is claimed for paints generally, merely to specify paints as the class of merchandise, without specifying any description of paints. *id.*
4. The illustration of a crown, applied as a brand, by stencil plate or die, to vessels containing paints, or printed on labels or wrappers applied to such vessels, or on notices advertising such paints, may be a lawful trade-mark, under said Act, because, when used in connection with paints, it may designate, by association in the minds of purchasers of and dealers in paints, the origin or ownership of such paints, as being in a particular manufacturer. *id.*
5. The illustration of a crown being

claimed by J. & Co., as a trade-mark for paints generally, under said Act, and it being alleged that R. had infringed such right, and it appearing that a brand of a crown had been used by B., for white lead alone, of a particular quality and description, made by him continuously, from a period prior to the use, and to the registration, of such brand as a trade-mark by J. & Co., and until R. purchased from B. his paints, materials and labels, and the right to use them, including the labels embodying the device of a crown, and that R., from the time of his purchase, which was prior to such registration, had continuously used the device of a crown on some description of paints: *Held*, that, at the time of registering the trade-mark, J. & Co. had no right to the use of it for paints generally, because R. then had a right to use it for the class of paints for which B., as well as R., had previously used it. *id.*

6. A registration under the Act must stand or fall, as a whole, for that to which the registration declares it is intended to appropriate it, there being no provision for maintaining a suit on it, where the grant is valid as to a part, but not as to the whole. *id.*

V.

VARIANCE.

See PLEADING, 2, 3.

VESSEL.

See ADMIRALTY.
COLLISION.

See LIEN.
SALVAGE.
TOWAGE.

W.

WITNESS.

See PRACTICE, 1.

WRIT.

See PLEADING, 2, 3.

WRIT OF ERROR.

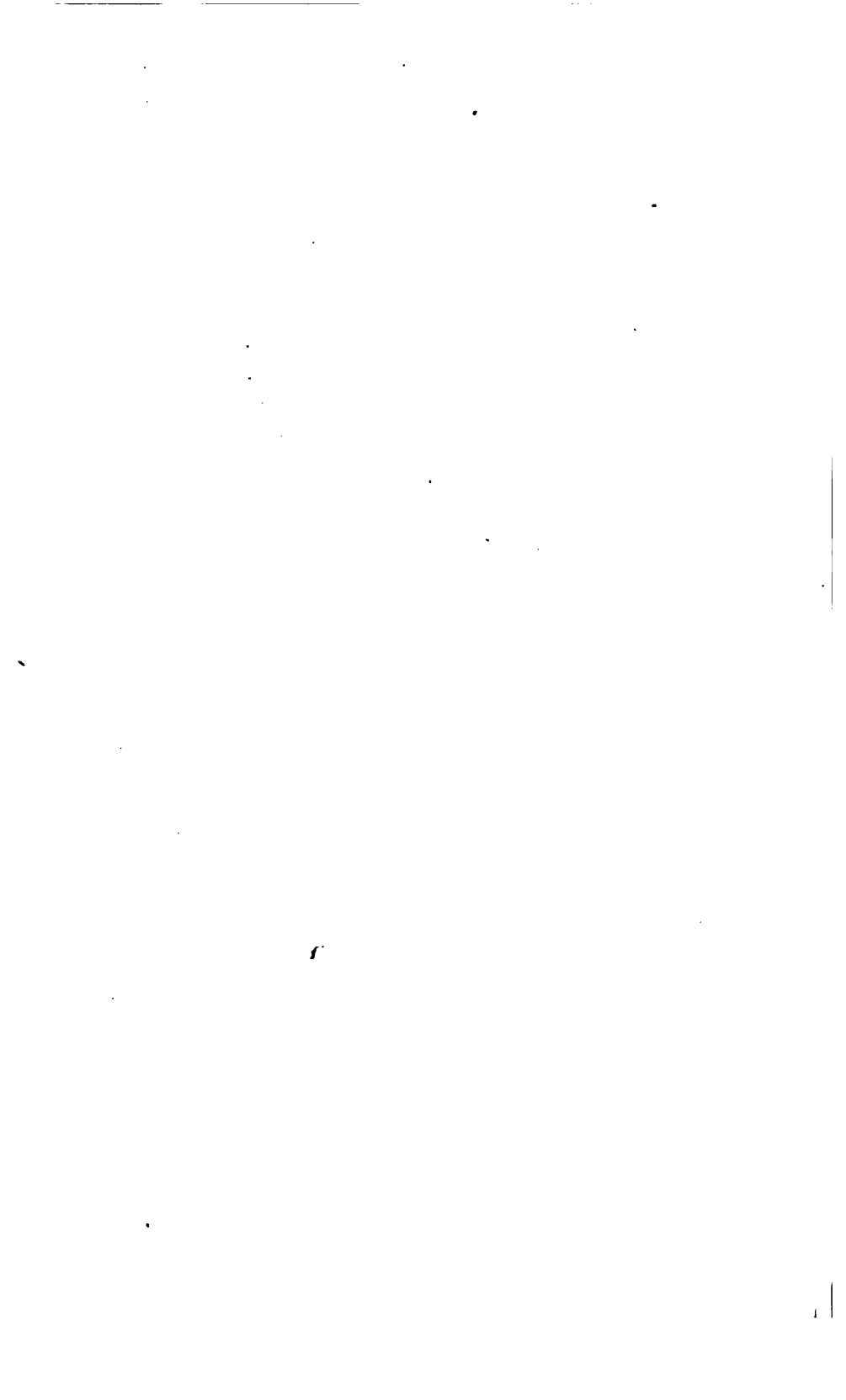
1. After the condemnation of property, in the District Court, as forfeited to the United States, for a violation of the customs laws, W. and E. each claimed a share as informer. The Court adjudged that neither was informer, but awarded a share to W., as seizing officer, under § 1 of the Act of March 2d, 1867, (14 *U. S. Stat. at Large*, 546.) E. then sued out a writ of error from this Court: *Held*, that, on such writ, the decision of the District Court that, as matter of fact, E. was not entitled to a share as informer, could not be reviewed. *United States v. Brilliance*, 221
2. It was not an error in law for the District Court to so decide, although the Commissioner who, by order of that Court, took the proofs, reported them with his opinion in favor of E. *id.*
3. A writ of error to the District Court brings to the consideration of this Court questions of law only. *id.*







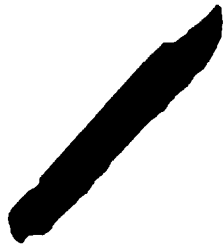


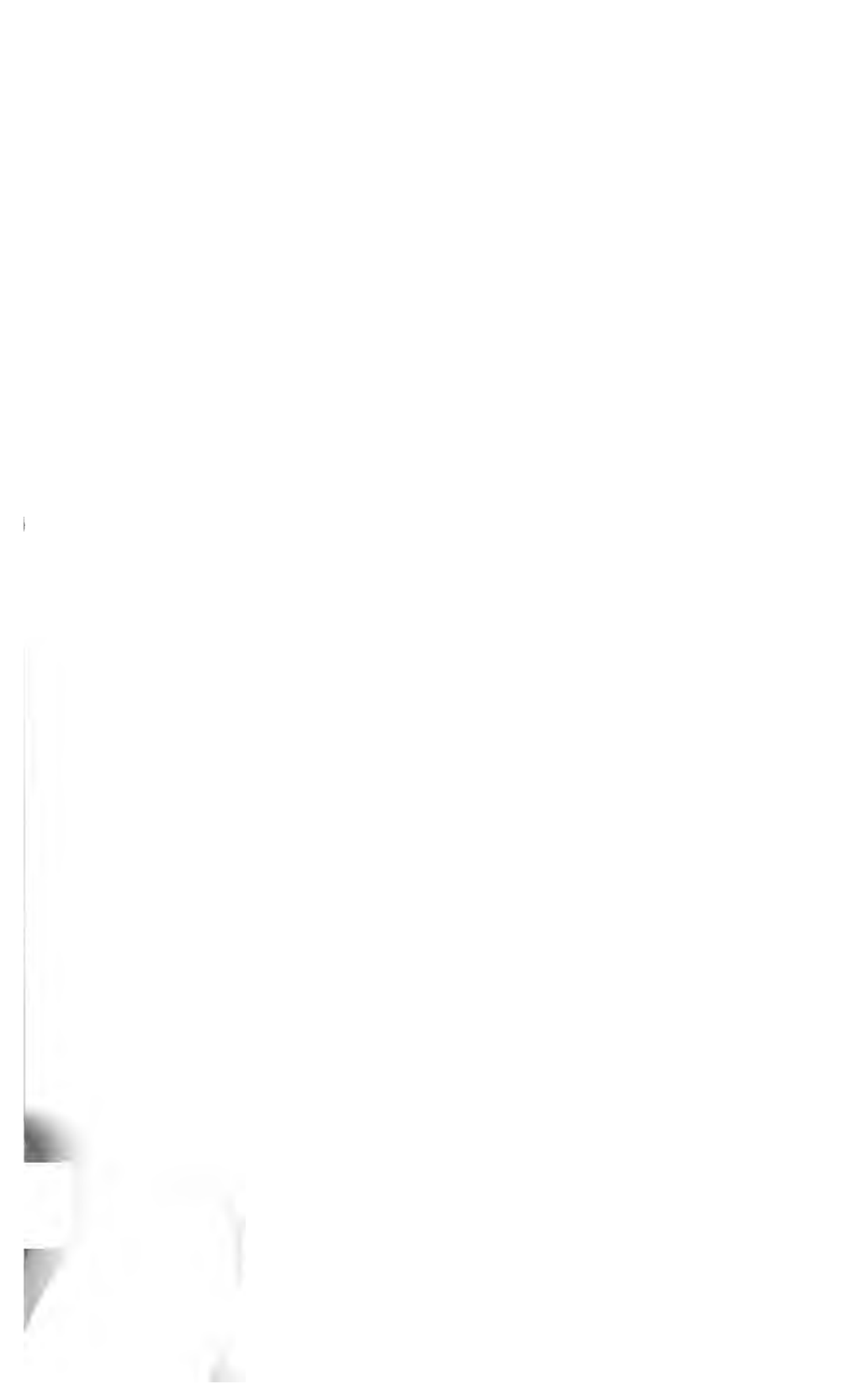


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